



Daily Report

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Daily Report

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General

Reportage on Middle East Peace Conference

Lebanese Prime Minister Comments

OW2810124191 Beijing XINHUA in English
1032 GMT 28 Oct 91

[Text] Beirut, October 28 (XINHUA)—Prime Minister 'Umar Karami has predicted that the Wednesday Madrid Peace Conference will not run smoothly as negotiations are difficult, the "AL-NAHAR" newspaper reported today.

He described the peace parley as "important," but said it will take a long time to iron out differences.

Syrian, Lebanese, Israeli, Egyptian, Jordanian and Palestinian delegates will attend the forum to settle the decades-long Arab-Israeli conflict. The two sides differ on how to implement U.N. Resolution 242 calling for Israel's pullout of the Arab lands it captured in the 1967 Middle East war.

Israel rejects the principle of trading land for peace and also refuses to withdraw from its self-proclaimed 'security zone,' an 1,100-square-kilometer enclave set up in 1985 in south Lebanon.

"There will be obstacles and abnormal attitudes to make the Lebanese delegation, and perhaps the other Arab delegations, despair," Karami asserted.

On the other hand, the Lebanese parliament met this morning to debate the government decision to participate in the peace conference.

A Lebanese delegation led by Foreign Minister Faris Buwayz will leave for Madrid later today, a local radio said.

The delegation comprises five ambassadors, two jurists and four army officers, it disclosed.

Arab League Chief Interviewed

OW2810212191 Beijing XINHUA in English
1716 GMT 28 Oct 91

[Text] Cairo, October 28 (XINHUA)—Peace efforts in the region should be based on concerned U.N. resolutions as they represent international legitimacy, the Arab League chief said.

"Efforts seeking peace should be based on U.N. Security Council Resolution 242 and 338 as they represent international legitimacy and call for the restoration of the Palestinian rights," the league's Secretary General Ismat 'Abd-al-Majid said in an interview which was published in today's Qatari newspaper "AL-SHARQ."

U.N. Resolutions 242 and 338 demand that Israel quit the Arab territories it captured in the 1967 war in exchange for peace with its Arab neighbors in the region.

'Abd-al-Majid's remarks were made on the eve of the long-awaited peace conference in Madrid Wednesday.

He also stressed the importance of the land-for-peace principle during the upcoming peace negotiations, noting that Israel should stop the Jewish settlement building on the occupied Arab lands as a good-will sign toward the peace conference.

Israeli officials have vowed not to give up the occupied lands during the Madrid peace conference no matter what pressure it may face. Israel's hardline Prime Minister Yitzhaq Shamir will head the delegation himself to the ministerial-level peace negotiations.

'Abd-al-Majid also welcomed the decision made at the recent conference of the Palestinian National Council for Palestinians to attend the peace conference, which he said "proved the PLO's genuine desire to peace."

"In this respect, Israel should show good intentions toward the Madrid peace conference so as to avoid wars in the region," he added.

The Middle East has witnessed five wars between the Arabs and Israel in the past four decades and the Arab countries except Egypt have been technically at war with the Jewish state.

Egyptian Foreign Minister Comments

OW2810212291 Beijing XINHUA in English
1710 GMT 28 Oct 91

[Text] Cairo, October 28 (XINHUA)—Foreign Minister 'Amr Musa left here this afternoon for Madrid where he will lead the Egyptian delegation participating in the peace conference which opens Wednesday.

Musa said before his departure that Egypt's stance is to call and work for realizing a settlement of the Middle East conflict taking into consideration all peoples in the area and also the U.N. Security Council Resolutions 242 and 338.

If there is an agreement on the principles of land for peace, and security in return for security, this would facilitate reaching a settlement in the near future, he said.

Cairo holds that a settlement must be based on "land for peace, right for right and security for security" under terms of U.N. Security Council Resolutions 242 and 338.

Every party should give and take according to the principles of the international law, the U.N. Charter and the Security Council resolutions, he said.

While the Arabs want their land back, he said, Israel "has a right to live within secure and recognized boundaries."

The negotiation process would not be an easy one, Musa pointed out, adding that no one expects swift results and there should be patience and flexibility.

He said that realizing a settlement is not an impossible matter, noting that all parties are doing their best to achieve success.

It would be difficult, however, to realize success unless all parties concerned showed cooperation and acceptance of the principle of land in exchange for peace.

President Husni Mubarak received the Egyptian delegation today. Musa said the delegation will fly to Madrid tomorrow while he himself will leave today for some urgent contacts.

Musa said the bilateral talks between Israel and Syria, Lebanon and a joint Jordanian-Palestinian delegation will begin four days after the opening of the conference. As for the venue, he said, it is understood that the talks will start in Madrid and the negotiating parties will later agree over the next venue of talks.

Jordanian-Palestinian Group Departs

*OW2810212591 Beijing XINHUA in English
1521 GMT 28 Oct 91*

[Text] Amman, October 28 (XINHUA)—A 28-member Jordanian-Palestinian delegation left here today to attend the Middle East peace conference in Madrid.

Olive branches in hand, all the members of the joint delegation headed by Jordanian Foreign Minister Kamil Abu-Jabir departed from Amman airport this afternoon aboard a government-chartered airliner.

The delegation was seen off by King Husayn, Crown Prince Hassan, Prime Minister Tahir al-Masri as well as many other high-ranking Jordanian officials.

All the delegates have a sincere hope for peace for their people, said an official seeing the delegates off.

"This is the first time from long, long ago that we Palestinians are sitting at the negotiating table with Israelis," Faysal al-Husayni told reporters before boarding. "I believe it is a very good chance for talks," he added.

He noted that the only problem is whether Israelis will show the same sincerity as the Arabs during the peace talks.

"If Israelis are really sincere to go to the peace process, we will surely push the process forward," he stated.

Abu-Jabir described the Madrid peace conference to be opened Wednesday as a "historic meeting" during which he pledged that his delegation will not "abandon our rights."

He said the joint delegation is attending the Madrid conference with "an open mind," but predicted that the process of negotiations will be long and difficult.

Some members of the joint delegation feared that the United States will not fulfil the promises it has given to Palestinians.

One delegate said, however, the delegation will use the assurances it gained from U.S. Secretary of State James Baker as means to achieve its goals during the peace conference and at bilateral negotiations expected later.

Gorbachev Arrives in Madrid

*OW2810232191 Beijing XINHUA in English
2219 GMT 28 Oct 91*

[Text] Madrid, October 28 (XINHUA)—Soviet President Mikhail Gorbachev arrived here today for meeting with U.S. President George Bush and addressing an Arab-Israeli peace conference slated for Wednesday.

Bush is to arrive Tuesday, and will meet with Gorbachev at the Soviet Embassy here, a compound of classical buildings spreading over 16,618 square meters.

This will be the 18th Soviet-U.S. summit since 1959, and Gorbachev's second meeting with Bush this year. After meeting with Bush, Gorbachev will hold a press conference at the Soviet Embassy.

The forthcoming Soviet-U.S. summit will be devoted to nuclear arms reductions and U.S. humanitarian aid to the Soviet Union now deep in economic troubles.

Bush reportedly hopes to gain a first hand knowledge of what kind of a new union he will have to deal with in the wake of the sweeping changes in the Soviet Union.

The U.S. President will also address the Middle East peace conference, which is co-sponsored by his own country and the Soviet Union.

The Soviet president is accompanied by Foreign Minister Boris Pankin and other high ranking officials.

During his stay in Spain, he will also meet with King Juan Carlos and Prime Minister Felipe Gonzalez.

Gorbachev Expects 'Profound' Results

*OW2910012391 Beijing XINHUA in English
0001 GMT 29 Oct 91*

[Text] Moscow, October 28 (XINHUA)—Soviet President Mikhail Gorbachev left here today for Madrid to

at end the Middle East peace conference which to be jointly chaired by Gorbachev and U.S. President George Bush, TASS reported.

Answering questions before his departure, Gorbachev told reporters he is leaving for Madrid in a confident mood and thinks the conference will produce "not fast but profound results."

Gorbachev is accompanied by his foreign minister Boris Pankin and other government officials.

Meanwhile, spokesman of the Soviet Foreign Ministry, Vitaliy Churkin told a news conference today that the Gorbachev-Bush summit, scheduled on October 29 in Madrid, will focus on the recent Soviet-U.S. initiatives about the further drastic reduction of nuclear weapons, the current situation in Yugoslavia and economic assistance to the Soviet Union by western countries.

TASS also reported Gorbachev will meet French President Francois Mitterrand in southern part of France on October 30.

Bush Departs for Madrid

OW2910084191 Beijing XINHUA in English
0742 GMT 29 Oct 91

[Text] Washington, October 28 (XINHUA)—U.S. President George Bush left here for Madrid tonight to attend the Middle East peace conference.

Bush will deliver a speech on Wednesday at the opening ceremony of the conference, which is co-sponsored by the United States and the Soviet Union and attended by parties of the Middle East conflict and representatives of international communities.

Earlier today, Bush said that the peace conference will be the "the start" of the peace process in the Middle East, "but I don't want to get people's hopes too high."

"We have a long, long way to go before we have the makings of or have an agreement for peace in that troubled region of the world... but it is worth it," Bush said.

Upon his arrival in Madrid Tuesday, Bush will meet a number of heads of government and foreign ministers to participate in the conference, including a working luncheon with Soviet President Mikhail Gorbachev.

This afternoon, Bush met Secretary of State James Baker and Agriculture Secretary Edward Madigan in preparations for the meeting with Gorbachev.

It raised the possibility that after the meeting, Bush may announce a package of some food credits and other assistance, but without specifying who it would be sent.

According to U.S. press reports, Bush had hoped to have the package ready before the Madrid meeting but he was unable to do so because his aides still grappled with the

questions of the Soviet Union's real need and whether the assistance should be channeled through the central government or republics.

Bush will return home immediately after addressing the conference.

Bush Arrives in Madrid

OW2910111191 Beijing XINHUA in English
1045 GMT 29 Oct 91

[Text] Madrid, October 29 (XINHUA)—U.S. President George Bush arrived here today to meet with his Soviet Counterpart Mikhail Gorbachev and address a Middle East peace conference to open Wednesday.

The two presidents are to hold talks in the Soviet Embassy on nuclear arms reduction and U.S. humanitarian aid to the Soviet Union now deep in economic troubles.

According to local press, Bush hopes to acquire a first-hand knowledge about what kind of a new union he has to deal with after the sweeping changes in that country.

The peace conference opens at 10:30 A.M. local time (09:30 GMT) Wednesday. Following a speech by Spanish Prime Minister Felipe Gonzalez, Gorbachev and Bush will separately address the meeting which their countries co-sponsor.

Gonzalez greeted Bush at the airport. U.S. Secretary of State James Baker arrived on the same plane.

Israeli Delegation Departs

OW2910110691 Beijing XINHUA in English
1049 GMT 29 Oct 91

[Text] Cairo, October 29 (XINHUA)—An Israeli delegation, headed by Prime Minister Yitzhaq Shamir, left for the Spanish capital of Madrid today to attend Wednesday's mideast peace conference.

Reports from Jerusalem said Shamir and other delegates boarded a special plane after an official red-carpet ceremony attended by many cabinet ministers, opposition leaders and army officials.

Before leaving, Shamir told reporters that he was shocked by an attack on an Israeli bus and vowed to hit back "although we are going to a peace conference."

On Monday night, two Israelis were killed and five wounded in a shooting attack about 30 kilometers north of Jerusalem when they were driving to a Tel Aviv rally.

Israeli police, in response to the attack, immediately went on a special alert and barred Palestinians from entering Jerusalem.

Shamir repeated that Israel would not stop building Jewish settlements in the occupied lands, a point at issue with the Arabs and U.S. officials who consider the act as an obstacle to peace.

In Madrid, disputes arose when the Palestinians and Jordanians were granted 45 minutes each to speak at the parley. Israel has also given 45 minutes to present its case.

Shamir accused the United States of making a "wrong move," arguing that the amount of time should split between Jordanians and Palestinians since they are part of a joint delegation.

Referring to the attack, spokeswoman Hanan Ashrawi of the Palestinian delegation said in Madrid that it showed there was opposition among Palestinians to the peace forum.

Both Palestinian and Israeli hardliners have vowed to disrupt the Madrid talks. The Israelis oppose the U.S.-advocated principle of trading land for peace, while some Palestinians fear that Arab moderates will accept peace with Israel at the expense of forming an independent Palestinian state.

Qian Qichen Sees Increased UN Role

CM2910113791 Beijing XINHUA Domestic Service
in Chinese 1459 GMT 28 Oct 91

[Text] Beijing, October 28 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen here today urged the United Nations to play a constructive role in working toward a fair and rational world order.

At the same time, Qian condemned a handful of people in Taiwan of stirring up a adverse current of what they called "returning to the United Nations".

Qian was speaking at a reception marking the 20th anniversary of the restoration of the lawful seat of the People's Republic of China in the United Nations. The reception was hosted by the Chinese Foreign Ministry and the United Nations Association of China.

In his speech, the Chinese foreign minister said that over the past two decades, China has enjoyed cooperation and support from other member states in the U.N. activities. The United Nations and its various agencies, he added, have over the years conducted fruitful cooperation with China and rendered assistance to it in many ways. Through these channels, he continued, China has engaged itself in exchanges and cooperation with member states in various fields, which has contributed to China's reform and opening to the outside world.

Qian noted with "delight" that in recent years the United Nations has played a more positive role. "So long as the parties concerned in the major international issues observe the purposes and principles of the U.N. Charter, exchange views without reservation, respect each other's

positions and accommodate each other's interests, the U.N. can play an important role in their settlement," the foreign minister stressed.

As the world is now in transition from the old structure to the new, Qian said, "the people of the world entertain fresh expectations for the United Nations. They hope that it will play a positive, balancing role in the turbulent world, and in particular, a constructive role in working toward a fair and rational world order.

"We believe that in a multipolarized and diversified world, the United Nations, as the most important international organization, has a role to play so long as its member states treat each other as equals, endeavor to seek common ground and respect the aspirations and interests of the majority of countries."

Over the past 20 years since the restoration of its lawful seat in the United Nations, the minister said, China has unswervingly defended the purposes and principles of the United Nations Charter and has earnestly and responsibly participated in the work of the United Nations in various fields. "As a permanent member of the U.N. Security Council, China has made its due efforts and contributions in opposing power politics, maintaining world peace and security, and in promoting a fair and reasonable settlement of regional conflicts.

"China has pursued an independent foreign policy of peace and wishes to develop, irrespective of differences in the ideology and social system, friendly relations and cooperation with all countries on the basis of the five principles of peaceful coexistence. China does not ally itself with any big power or group of countries. It independently determines its position on all major international issues on the merits of each case. What it has done in the past 20 years has proved that China is a member that has played a unique and constructive role in the United Nations."

The Chinese foreign minister noted that 20 years ago, the international community passed a "historical verdict" of the long-standing abnormal situation in which the Taiwan authorities illegally occupied China's lawful seat in the United Nations.

Recently, he continued, "a handful of people in Taiwan, with the connivance of certain international forces, have stirred up the adverse current of what they call 'returning to the United Nations' at the expense of the great cause of the reunification of the motherland.

He reiterated the solemn position of the Chinese Government on Taiwan: there is but one China in the world, namely, the People's Republic of China, and Taiwan is an inalienable part of China's sacred territory. This is a universally recognized fact. The clamor for "returning to the United Nations" by the handful of people in Taiwan and their attempt to override the historical decision made by the United Nations General Assembly 20 years ago and turn back the wheels of history will come to

nothing. All the schemes to create "two Chinas" or "one China, one Taiwan" are doomed to failure.

Madagascar Ambassador to China Jean-Jacques Maurice spoke on behalf of the diplomatic corps in Beijing. He noted that the restoration of China's lawful seat in the United Nations and as a permanent member of the U.N. Security Council with veto power 20 years ago was "an event of great importance in the history of humankind". He paid tribute to China for its outstanding role in and excellent contribution to the international community.

Dr. Bernard P. Kean, representative of the World Health Organization to China spoke on behalf of all the U.N. agencies in Beijing, noting that China has played "a very important role in world affairs" over the past 20 years.

Bi Jilong, president of the United Nations Association of China and former deputy secretary general of the United Nations, presided over the reception at Diaoyutai State Guesthouse's Fenfeiyuan. Attending the reception were more than 200 Chinese and foreign officials, including Huang Hua, member of the Standing Committee of the Central Advisory Commission, who was vice premier of the State Council and foreign minister; Li Lanqing, minister of foreign economic relations and trade; Qi Huaiyuan, director of the Office of Foreign Affairs of the State Council; Chen Chu and Li Luye, former Chinese permanent representatives to the United Nations; Xie Qimei, former deputy secretary general of the United Nations; as well as diplomatic envoys of various countries and representatives of U.N. agencies in Beijing.

'Roundup' on British Commonwealth Summit

HK2510021091 Beijing RENMIN RIBAO
in Chinese 23 Oct 91 p 6

["Roundup" by staff reporters Shen Minghe (3947 2494 3109), Wen Xian (3306 2009): "Voice From Within British Commonwealth—on 28th British Commonwealth Summit"]

[Text] Harare, 22 Oct (RENMIN RIBAO)—At the 28th British Commonwealth summit, which lasted six days, striving for development and progress and the demand for establishment of a non-apartheid state in South Africa as quickly as possible have been the powerful voices of leaders of the majority of the member states attending the summit.

Of the 50 member nations of the British Commonwealth, 46 are developing countries, of which 13 are regarded by the United Nations as the most underdeveloped nations and 13 are countries with low incomes. Of the total, 19 are island countries whose populations are under 1 million and seven are landlocked countries whose conditions for economic development are poor. At the current British Commonwealth summit, the leaders of many countries expressed their deep worries over the debt burden, high interest rates, capital shortages, and the trend of serious trade protectionism of

some developed countries. Mahathir, prime minister of Malaysia and chairman of the previous British Commonwealth summit, said that the developed countries always have the say in economic and trade issues while the developing countries are always in a passive position. If the world trade groups constitute an obstacle to the development of the poor countries or if they discriminate against the poor countries, the role of such trade groups will be negative. Australian Prime Minister Hawke also sharply criticized certain developed countries, saying that the practices of these countries demanding that the developing countries open their market while protecting their own are "hypocritical."

The Harare Communique issued after the conclusion of the summit pointed out that such contradictory requests by certain developed countries have brought about the loss suffered by the developing countries far exceeding the aid they have received. The communique appealed that any new international economic order should be conducive to development and cooperation between the poor and rich countries.

The changes in South Africa is the question of common concern of the head of states attending the British Commonwealth summit. Mandela, leader of the African National Congress, and Makwetu, leader of the Pan-Africanist Congress, who were invited to the summit, held an extensive exchange of views with the leaders of other countries on the situation in South Africa. Seeking a suitable way to promote the progress of talks in South Africa, the heads of state of the British Commonwealth decided to dispatch their secretary general Anayaoku to South Africa as quickly as possible. In view of the positive changes in South Africa, the current British Commonwealth summit has decided to lift the sanctions imposed on South Africa. The first step is to immediately lift the restrictions on personnel visits imposed on South Africa. The summit agreed to continue to exert effective pressure on South Africa until the ultimate establishment of a non-apartheid state there. The sanctions imposed on South Africa's finance, trade, and investment as well as the arms embargo are to be lifted in stages. Regarding the question of lifting the sanctions imposed on South Africa in stages, however, the position of Britain differed from that of other Commonwealth nations. British Prime Minister Major insisted on immediately lifting the sanctions on South Africa's trade and investment but his proposal met with objection from other countries.

UNDP Official on Tumen Development Project

OW2610053591 Tokyo KYODO in English 0510 GMT
26 Oct 91

[Text] Beijing, Oct. 26 KYODO—A United Nations Development Program (UNDP) official has expressed optimism about an international project to develop the Tumen River basin where China, the Soviet Union, and North Korea share borders.

In an interview with KYODO NEWS SERVICE, Roy D. Morey, resident UNDP representative, said earlier this week that an agreement is expected to be signed by parties concerned in less than two years to kick off the undertaking. He said representatives of five countries concerned attended a meeting held in Pyongyang this month and agreed to work out details of the development program in consultation with UNDP. Morey said the countries represented at a meeting were North Korea, China, the Soviet Union, South Korea, and Mongolia.

The present plan calls for the development of the region on the eastern sector of the Tumen River over a period of seven to 12 years. Total investment is estimated at about 30 billion U.S. dollars.

Morey said the establishment of a development planning commission was decided at the Pyongyang meeting to study legal and funding problems as well as improvement of the infrastructure. He said he expects most of the necessary funds will be raised through investment by the private sector, and he is prepared to appeal to enterprises, including banking institutions, on the importance of the project.

The signing of a formal agreement by the governments concerned will help stimulate investment by private enterprises, he said.

Beijing Hosts International Housing Symposium

HK2410072391 Beijing CHINA DAILY in English
24 Oct 91 p 2

[By staff reporter Chang Weimin: "Bankers Meet on Housing Finance"]

[Text] Bankers from 14 nations gathered yesterday in Beijing for a three-day symposium on housing finance policies expected to stimulate the ongoing housing reform in China.

Bankers from countries including Germany, Italy and Japan are to study housing finance policies and seek means to improve international co-operation.

The Industrial and Commercial Bank of China (ICBC), which is a major State-mandated bank responsible for financing housing reform, is hosting the symposium under the auspices of the Geneva-based International Savings Bank Institute (ISBI).

Housing finance policies used by leading savings banks in developed nations will also be discussed at the symposium, according to Luis Marreiros, head of ISBI's international co-operation and development department.

Analysts are paying attention to the timing of the symposium, saying it will help the ICBC map out effective measures to promote China's housing reform that is to unfold on a nationwide scale next year.

Since 1949 urban housing in China has usually been built with State funds and rents have been kept artificially low. Such a housing system puts a heavy financial burden on the government, doesn't allow for the recouping of investment and causes housing shortages as well as uneven distribution.

Since 1979 governments in some provinces have taken tentative measures to reform the 40-year-old housing system.

According to newly-issued State policies, housing reform designed to commercialize urban housing is to be implemented on a nationwide scale next year.

The ICBC, which had capital totalling 930 billion yuan (\$173 billion) by the end of 1990, plays an important role in the housing commercialization.

So far, the ICBC has handled 9 billion yuan (\$1.67 billion) in housing finance deposits and issued another 8 billion (\$1.48 billion) in loans to support housing reform, Wang Zhanxiang, ICBC's vice president, said at the symposium.

With ICBC's financial support, enterprises and institutions built and purchased houses with a total floor area of more than 60 million square metres, Wang said.

Now, 6,000 professionals with more than 1,000 ICBC branches in 32 provinces and cities are involved in housing finance.

The ICBC recently opened a new department in Beijing to deal with housing finance business.

ICBC officials said the bank will establish a comprehensive finance and service system to further promote housing reform.

China has an ambitious programme to guarantee eight square metres of living space per person in urban areas by the end of this century.

That means that housing totalling 1.65 billion square metres must be built by then.

The ICBC is the only ISBI member in the country.

United States & Canada

'Major, Substantial Progress' in Trade Talks

HK2910084491 Hong Kong WEN WEI PO
in Chinese 29 Oct 91 p 15

["Special feature" by Yu Feng (0151 6912): "China Gives Positive Reaction to United States, Forwards Major Measures for Promoting Trade"]

[Text] Though U.S. Deputy Trade Representative Massey was quite negative in his speech delivered after the first-round Sino-U.S. talks on bilateral trade and intellectual property concluded on 25 October, the memorandum of understanding [MOU] presented by the

Chinese representatives to their U.S. counterparts at the talks shows that China has made a comprehensive and important response to the U.S. charges on the basis of the investigation under Article 301 and Special Article 301. People in the know claim that this negotiation has actually achieved major, substantial progress.

According to the information obtained by WEN WEI PO, China's response to the PRC-U.S. trade imbalance in the MOU includes the following: (1) China will revoke the import permit control for some commodities within six months and the permit control for two-thirds of all products within three years. (2) China will cut the tariff for over 50 commodities within six months and will consider abolishing the import regulatory tax. As for the tariff for more than 90 commodities which increased in 1988, the Chinese side has agreed to settle it through negotiation. (3) The Chinese Ministry of Foreign Economic Relations and Trade will publish 34 internal economic and trade policy regulations within six months and sort out all internal policies, including those for investment and trade, within two or three years and gradually publicize the changes.

The suggestions on the intellectual property issue forwarded by the Chinese side in the MOU include: First, China will join the Berne International Pact next May and start protecting intellectual property in accordance with the standards prescribed in the international pact. Second, China will amend its patent law and extend the period of protection for chemicals from 15 years to 20 years. In addition, the previous protection of only the production process of chemicals will be expanded to cover the chemical products as ingredients for making finished chemicals.

On 10 October, the U.S. trade representatives announced the beginning of Article 301 investigation on China, which was suspected of having set up trade barriers for imports from the United States. On 26 April of this year, the U.S. trade representatives put China on the "list of major countries" and launched an investigation of China in accordance with Special Article 301 with regard to the protection of intellectual property.

In view of the importance of safeguarding Sino-U.S. economic relations and trade, the Chinese side made major concessions to the U.S. side. This is also an important signal that the Chinese Government has flashed to the whole world: China will make an extremely significant step in deepening reform and opening up.

In fact, the specific items of the Special Article 301 investigation due to be released last Saturday have not been published yet. The U.S. side explained that the decision has yet to be made after some discussion after the trade representatives return home. This is apparently related to the fact that China has proposed some concrete measures in the intellectual property issue.

U.S. Cooperation Urged

HK2910112591 Hong Kong WEN WEI PO
in Chinese 29 Oct 91 p 2

[Editorial: "Sino-U.S. Trade Development Depends on Bilateral Cooperation"]

[Text] The Sino-U.S. talks held in Beijing on lifting restrictions on imports to China's market concluded the other day. Great, substantial progress has been made at the talks and the gap between the two sides on major issues has been narrowed. We believe that this was expected by all quarters.

There have been continual controversies in Sino-U.S. trade recently. Not long after the end of the controversy over most-favored-nation [MFN] trade status, U.S. Customs officials suddenly searched some 20 Chinese-funded companies in New York and Los Angeles. Later, the U.S. Trade Representative Office launched the Section 301 investigation aimed at China. Under such circumstances, whether Sino-U.S. trade can be maintained and develop has indeed become a matter of public concern.

China and the United States share common interests in trade. It is the common responsibility of both the Chinese and U.S. Governments to maintain normal trade relations and create a fine trade and investment environment and an atmosphere of cooperation for the commercial circles of the two countries. China has made efforts to maintain Sino-U.S. trade relations and promote Sino-U.S. trade. During the current Sino-U.S. talks on lifting restrictions on imports, it has been reported that China has made great commitments on lifting the restrictions on its imports: China will revoke license management over some commodities within six months and revoke two-thirds of the license management over all commodities within three years; China will reduce the tariff rates of some 50 import commodities within half a year and at the same time, revoke regulatory taxes levied on imports; in two to three years, China will sort out the internal documents of the Ministry of Foreign Economic Relations and Trade and promulgate them one by one. Regarding protection of patent rights and copyright, which is a matter of great concern to the United States, China will also adopt important measures. China plans to join the Bern International Convention in May 1992 and protect intellectual property rights in light of the international convention standards. China will revise its patent law, extend the protection period for chemicals, and protect chemical products.

Those who understand China know that it has been no easy job for China to make these commitments. The measures adopted by China to lift restrictions on imports constitute a major action in the reform of China's foreign trade system. In protecting intellectual property rights, some Western countries built their integrated system in 100 to 200 years. China has been able to make the commitment to join the international organization and protect intellectual property rights in light of

international standards when it has had only 10 years or so of experience in this field. All this shows that China has made great efforts to develop its trade with the United States.

Frictions in Sino-U.S. trade are sometimes unavoidable. These problems should be settled by means of equality, mutual benefit, and friendly consultations by the two sides in light of the stipulations of Sino-U.S. trade agreements. If the U.S. side disregards actual reality in China, ignores the efforts made by the Chinese side, unilaterally takes negative measures, and even carries out trade reprisals, it will only harm trade relations between the two countries. Sino-U.S. trade actually benefits both sides. Although harming bilateral trade relations will produce an adverse influence on China, it will also hurt the U.S. economy. For this reason, the United States should stop its Section 301 investigation aimed at China. As the U.S. economy is now experiencing a depression, it will be a major task for the United States to stimulate its economic recovery. Instead of artificially erecting trade barriers, the United States should vigorously develop Sino-U.S. trade, which will be mutually complementary and play a role in stimulating U.S. economic recovery.

Substantial progress has been made in the current Sino-U.S. talks on lifting restrictions on imports because both sides have proceeded from their common interests and displayed the spirit of mutual understanding and cooperation. As the national conditions of the two countries differ greatly from each other, mutual understanding and cooperation is very important for the establishment of trade relations of good will. In view of the narrowed gap between the two sides on major issues and the ripe conditions for the signing of a memorandum of understanding, the Chinese side presented a draft memorandum of understanding to the U.S. side during the talks. We hope that the U.S. side, with an attitude of understanding and cooperation, will respond positively to the draft memorandum of understanding presented by the Chinese side and on this basis, further iron out the differences between the two sides.

Lu Ping Comments on Sino-U.S. Relations

*HK2910032191 Hong Kong TA KUNG PAO in Chinese
29 Oct 91 p 1*

["Special dispatch" by staff reporter Chang Shao-wei (1728 1421 1218): "Lu Ping on Sino-U.S. Relations, Housing Prices in Hong Kong"]

[Text] Beijing, 28 Oct (TA KUNG PAO)—Lu Ping, director of the State Council Hong Kong and Macao Affairs Office, gave a talk today at a meeting with the delegation of the board of directors of Hong Kong's Yan Chai Hospital.

When asked by the guests how to view the U.S.-Chinese relations and the United States' intended revocation of the most-favored-nation [MFN] status for China, Lu Ping said: It is no big deal that the United States puts pressure

on China; we have survived various kinds of pressure and the People's Republic of China has grown under various kinds of pressure. The crux of the problem with Sino-U.S. relations is that the United States wants to interfere in China's internal affairs, though we never want to interfere in their internal affairs. We believe that countries should respect each other. You have your social system and lifestyle and I have mine. We have no reason not to believe that two different social systems can coexist in peace. We do not want to gobble up the United States, and they should not wish to gobble us up either. The United States practices hegemonism and imposes pressure on many countries around the world apart from China. Only when the United States stops interfering in China's internal affairs can Sino-U.S. relations improve. There used to be no conflict of interests between Hong Kong and the United States, but now the latter wants to pass a bill to interfere in Hong Kong's affairs. Revoking MFN status for China would probably bring the worst damage to Hong Kong, not China. China is a big country after all, so the loss of MFN status would have some impact on China, but not serious. The impact on Hong Kong would be very significant, as one third of Hong Kong's products are marketed in the United States. We should join hands with Hong Kong and make the United States realize this point: Revoking MFN status for China is not only detrimental to China and Hong Kong, but also harmful to the United States. I am afraid Hong Kong should not rely too heavily on the United States and should find its way more toward other areas such as the European Community.

When talking about whether the constantly soaring housing prices in Hong Kong are due to the strain on land supply, Lu Ping said: It is made very clear in Appendix 3 of the Sino-British Joint Declaration that the Sino-British Land Committee grants 50 hectares of land each year. In fact, since the Joint Declaration came into effect, the amount of land granted each year has always exceeded this figure. We do not confine ourselves entirely to this figure of 50 hectares. Last month alone, we granted an extra five hectares. Should the strain on land supply continue next year, we would of course consider granting more land. At present, housing prices are going up at a high rate in Hong Kong. The heavy strain on land supply is part of the reason, but some other factors, such as speculative buying and selling of houses and trading in uncompleted houses, are also responsible. In this respect, the Hong Kong Government should take appropriate steps to control it.

The Yan Chai Hospital delegation will visit Beijing Municipal No. 1 Social Welfare Hospital and the People's Liberation Army General Hospital (301 Hospital) tomorrow, followed by sightseeing in Beijing. They are flying to Shanghai and Nanjing on 31 October for a visit.

Bush's Top Aides Differ on Nuclear Arms Issue

*OW2610044591 Beijing XINHUA in English
0039 GMT 26 Oct 91*

[Text] Washington, October 25 (XINHUA)—Defense Secretary Dick Cheney and National Security Adviser

Brent Scowcroft have differed on how the United States should respond the Soviet initiative on nuclear arms reduction, THE WASHINGTON POST reported today.

The two officials seem at odds over how far and how quickly the administration should move toward embracing new arms limitations beyond the broad unilateral measures announced by President George Bush, the paper said.

The dispute became evident late last week when Cheney blocked release of a draft White House announcement that would have accepted a Soviet proposal to declare an end to production of fissile material for nuclear weapons, THE POST quoted administration as saying.

The two of Bush's top aides also differ on whether to pursue Gorbachev's call for joint limitations on underground nuclear tests and for a U.S. declaration that nuclear arms will be used only in retaliation for nuclear attack.

Scowcroft is reportedly willing to negotiate on both, while Cheney and other senior administration officials say that the United States cannot compromise on either issues.

Bush unveiled a unilateral nuclear arms reduction initiative on September 27, and he called on the Soviet Union to match the initiative with its own cuts in nuclear stockpile. One week later, Soviet President Mikhail Gorbachev responded with an initiative which not only endorses most of Bush's proposals, but calls for further actions to reverse nuclear arms race.

The United States has yet to respond the Soviet initiative, and President Bush said that no fresh proposals would come up during his meeting with Gorbachev in Madrid next Tuesday on the eve of the peace conference on the Middle East.

Bush 'Might' Accept Budget Cuts in B-2 Funding

OW2510215891 Beijing XINHUA in English
2118 GMT 25 Oct 91

[Text] Washington, October 25 (XINHUA)—U.S. President George Bush today indicated that he might have to accept cuts in the budget for B-2 Stealth bomber program.

Asked whether he has dropped his insistence on full funding for 75 B-2s, Bush said "I wouldn't say that. We've got a proposal up there, and let's see where we go with it."

"I will have something to say as we go along each step of the way as to the administration position," he said.

Meanwhile, THE NEW YORK TIMES reported that the Bush administration is retreating from its goal of buying 75 B-2s, and aims instead at the purchase of perhaps half that many.

The B-2 program, a radar-evading bomber designed to penetrate the Soviet air defense, has met growing criticism because of declined threat from the Soviet Union and the disclosure in last month of flaws in the radar-evading ability of the aircraft.

Earlier this year, the house voted to freeze the funding for B-2 at the current order of 15, while the Senate approved Bush's request for the production of more B-2s.

FBI Cited on Increase in Reported U.S. Crimes

OW2810205291 Beijing XINHUA in English
1704 GMT 28 Oct 91

[Text] Washington, October 28 (XINHUA)—The amount of crime reported to the police increased by 2 percent in the first half of 1991, said the Federal Bureau of Investigation (FBI) Sunday [27 October].

The report, based on a survey of data from 16,000 police departments, showed that the amount of reported violent and property-related crime rose by 4 percent in the Midwest, 3 percent in the South and 2 percent in the West, but declined by 3 percent in the Northeast.

It said that robbery reported to police jumped by 9 percent, murder by 5 percent, forcible rape by 4 percent and aggravated assault by 2 percent in this country.

There was a one percent increase in burglaries, larceny-thefts and motor vehicle thefts respectively, it said.

Reported crimes declined by 2 percent in the nation's biggest cities while a 5-percent increase was registered in cities with a population of less than 10,000, it said.

Some criminal justice experts noted that the increases in crime reports have some connection to unemployment and drug addiction among poor youths in the most crime-prone age group, ages 15 to 24.

Northeast Asia

Miyazawa Assumes Post of Japan's LDP Chief

OW2910035791 Beijing XINHUA in English
0331 GMT 29 Oct 91

[Text] Tokyo, October 29 (XINHUA)—Former Deputy Prime Minister and Finance Minister Kiichi Miyazawa today officially assumed the post of the 15th president of Japan's ruling Liberal Democratic Party (LDP) at a party

convention, and is expected to be elected Japan's new prime minister on November 5.

Miyazawa, 72, won a landslide victory in the Sunday's party presidential election, obtaining 285 of the 492 valid votes cast.

The term of incumbent LDP president, Prime Minister Toshiki Kaifu, does not expire until Wednesday, but he asked the extraordinary party convention to immediately to confer the party presidency on Miyazawa.

The convention approved Kaifu's request and Miyazawa immediately replaced Kaifu as LDP president.

The LDP Presidency carries with it the premiership because the LDP enjoys a stable majority in the powerful House of Representatives.

The LDP, which was established in 1955, has 1.75 million rank-and-file members across the nation.

Facing 'Difficult Issues'

OW2810164791 Beijing XINHUA Domestic Service
in Chinese 0325 GMT 28 Oct 91

["Roundup" by reporter Zhang Huanli (1728 3562 0448): "Miyazawa Faces Difficult Issues"]

[Text] Tokyo, 27 Oct (XINHUA)—The result of Japan's Liberal Democratic Party's [LDP's] presidential election, which had been brewing for a long time, was announced this evening. Kiichi Miyazawa was elected the party's 15th president by a majority vote—285. As the LDP is currently Japan's sole ruling party, its new president, Miyazawa, will be appointed as the new prime minister of Japan's cabinet at the extraordinary Diet session on 5 November.

During the presidential election campaign, the Takeshita faction, the LDP's largest faction, suddenly announced that it would no longer support Toshiki Kaifu's reelection bid. However, it was also unable to nominate its own presidential candidate. The dramatic change resulted in Kiichi Miyazawa gaining the support of the Takeshita, Komoto, and Miyazawa factions, and in his beating the other two competitors—Michio Watanabe and Hiroshi Mitsuzuka—by an overwhelming lead.

On the afternoon of 25 October, the three LDP presidential candidates delivered speeches on their political views in the streets of Tokyo. In his 20-minute speech, Miyazawa discussed domestic and foreign policies that he planned to pursue after coming to power. On domestic affairs, Miyazawa indicated that he would carry on the political reform plan that Prime Minister Kaifu had failed to realize, in order to restore the people's trust in politics and politicians. Miyazawa said that he would further develop Japan's economy to enable the Japanese to live in "a wealthy big country." On foreign affairs, Miyazawa said that politicians should

look at today's world with "foresight," and that Japan would actively participate in the effort to build a new world order.

The 72-year-old Miyazawa has experienced 38 years of vicissitudes in his political life, and is one of the LDP's handful of economic experts and diplomats. However, he will surely encounter numerous difficult issues after assuming the prime ministership. Japanese media have generally reported that as Miyazawa assumes his post with the support of the party's most powerful faction—the Takeshita faction—like his predecessor Kaifu, he will be manipulated, in varying degrees, by that faction in both domestic and foreign affairs, and will not be able to carry out his own policies.

During his campaign, Miyazawa reiterated his determination to realize his goals of political reform, including reform of the election system, within a year. However, as his rivals Watanabe and Mitsuoka have predicted, he would find it difficult to achieve his goals. Furthermore, Miyazawa himself was once forced to resign from the finance minister post because of the recruit stock scandal. This fact alone will make it very difficult for him to project a "clean politician's" image to the people. Meanwhile, given the domestic economic slowdown and the acute shortage of tax revenues, it is still unknown whether Miyazawa's proposal on issuing deficit-financing government bonds can be implemented.

On foreign affairs, the first problem he will encounter is Japan-U.S. trade friction, including the burning issue of opening Japan's rice market to the United States. The second problem concerns Japanese-Soviet relations. Currently, there is still no concrete and sound strategy to tackle the issues of the four northern islands and economic aid to the Soviet Union. Moreover, during the presidential election campaign, practically none of the candidates discussed how Japan would develop foreign relations with its neighboring countries in Asia in the future.

Finally, the most difficult problem facing Miyazawa is how he would coordinate the party's relations with the opposition parties—the Social Democratic Party, the Komeito, and the Japan Communist Party. This has been the most difficult problem for all previous LDP presidents.

Japanese Beam on Election

OW2910062391 Beijing Radio Beijing in Japanese
0930 GMT 28 Oct 91

[Text] On page six of today's issue, RENMIN RIBAO reported the election of Mr. Kiichi Miyazawa as new president of the ruling Liberal Democratic Party in Japan. Reporting his election, RENMIN RIBAO particularly pointed out that Mr. Kiichi Miyazawa stressed the need for Japan to strengthen cooperation with China when he visited China.

Southeast Asia & Pacific

Wu Wenying, Australia's Hawke Meet in Canberra

*OW2810134991 Beijing XINHUA in English
1244 GMT 28 Oct 91*

[Text] Canberra, October 28 (XINHUA)—Australian Prime Minister Bob Hawke met with Chinese Textile Industries Minister Wu Wenying in his office this afternoon, and he hoped that he would meet her again in Beijing.

Wu has been the first Chinese minister Hawke met for more than two and half years. And Hawke wished her a successful visit in Australia.

During the meeting, Wu Wenying briefed Hawke on China's present economic situation and the rapid development in the country's textile industry. Wu conveyed Chinese Premier Li Peng's greetings to Hawke, who also asked Wu to convey his greetings to Li Peng.

The Chinese minister is expected to meet Australian Industry Minister John Button, Trade Negotiations Minister Neal Blewett and Primary Industries Minister Simon Crean respectively tomorrow and confer with them on further expansion of bilateral economic and trade relations.

After visiting Australia, Wu and her party will proceed to visit New Zealand from October 30 at the invitation of the New Zealand Government.

Qu Runhai Leads Arts Delegation to Australia

*OW2610033791 Beijing XINHUA in English
0144 GMT 26 Oct 91*

[Text] Canberra, October 26 (XINHUA)—A major Chinese arts delegation is now in Australia on a two-week visit to strengthen cultural ties between the two countries.

Led by Qu Runhai, director of the Arts Bureau of the Chinese Ministry of Culture, the delegation will hold talks with federal and New South Wales and Victoria state arts groups during their stay here.

It is China's first major cultural delegation to Australia in two and half years and marks a new phase in the normalization of relations between the two countries.

After spending four days in Sydney, the arts group arrived in Canberra on Thursday to attend performances of the Australian Theater Festival before travelling to Melbourne for further talks tomorrow.

The visit is expected to lead to a series of cross-cultural visits by performing and visual artists from both countries.

Near East & South Asia

Yang Shangkun Continues Visit to Pakistan

Meets Legislative Leaders

*OW2910052091 Beijing Central People's Radio
Network in Mandarin 1030 GMT 28 Oct 91*

[From the "National Hookup" program]

[Text] Pakistani Senate Chairman Wasim Sajjad and National Assembly Speaker Ayub Khan called on visiting Chinese President Yang Shangkun today at the Pakistani Presidential Palace.

On the building of a new international order, the two sides said: Every country in the world has the right to discuss this question, which should not be decided by one or several countries.

Both sides held: Both China and Pakistan favor building a new political and economic order on the basis of the five principles of peaceful coexistence. It is hoped that the two countries will frequently hold consultations on this issue.

President Yang Shangkun was interviewed by Pakistan television this morning. In response to a reporter's question on the widening gap between the North and South and the establishment of a political and economic community among Third World countries, Yang Shangkun said: If North-South relations are not basically improved, it will be difficult to ensure peace and stability in the world. We are pleased to note that Asian countries have already established various organizations for regional cooperation, which are conducive to the development of those countries and to their mutual benefit and cooperation; and they have made gratifying achievements in this regard. We hope that these regional organizations will continue to play an important role in narrowing the gap between the North and the South and striving to build a new, fair, and reasonable international economic order of mutual benefit and cooperation.

Yang Shangkun also said: Population is an issue of strategic importance in the world today. China is willing to exchange experiences and cooperate with Pakistan in this regard.

Vice Premier Wu Xueqian of the State Council, accompanying President Yang on the trip this morning visited the (Beihar) Mosque north of Islamabad.

Comparison of Legislative Meeting

OW2810172891

Beijing XINHUA Domestic Service in Chinese at 0933 GMT on 28 October carries a 612-character report on Yang Shangkun's meeting with Pakistani legislators. The XINHUA Domestic Chinese version has been compared

to the XINHUA English version published in the 28 October China DAILY REPORT, page 27, revealing the following variations:

Graf one, only sentence, to graf two, only sentence reads: ...the two peoples. He personally feels strongly about this in his current visit to Pakistan, and he hopes this friendly bilateral relations will be further strengthened in the future. [new graf] He said China... (adding sentence)

Graf five, only sentence, to graf six, only sentence reads: ...strengthening this friendship. He said: As the Chinese saying goes: "When one drinks water, one should not forget the well digger. So we should never forget your father. During his tenure of service, our two countries demarcated our boundaries, and signed a border treaty, thereby establishing a peaceful boundary along Sino-Pakistani borders." President Yang also touched upon the efforts made by Pakistan in 1971 in helping to restore the diplomatic relations between China and the United States. [new graf] The Chinese president... (adding passage)

Last graf, only sentence, to end of item reads: ...new world order. [new graf] On behalf of Wan Li, chairman of the Standing Committee of the National People's Congress, President Yang invites National Assembly Speaker Gohar Ayub Khan to visit China at a suitable time, and Gohar Ayub Khan expressed thanks for the invitation. (adding paragraph)

Departs Islamabad for Lahore

*OW2810124091 Beijing XINHUA in English
1224 GMT 28 Oct 91*

[Text] Islamabad, October 28 (XINHUA)—Visiting Chinese President, Yang Shangkun, left here this afternoon for Lahore, Pakistan's second largest city.

Yang is being accompanied on the trip by Pakistani President Ghulam Ishaq Khan. A civic reception will be held in Lahore for China's head of state.

During his three-day stay in Islamabad, Yang had formal talks with his Pakistani counterpart covering bilateral relations as well as international and regional issues of common interest.

He also met with Pakistani Prime Minister Nawaz Sharif.

During the visit, the two sides signed accords on Chinese assistance to Islamabad and to Afghan refugees residing in Pakistan.

The Chinese president, who arrived here on October 26 for a five-day state visit, will leave Lahore for Tehran on October 30.

Arrives in Lahore

*OW2810155291 Beijing XINHUA in English
1459 GMT 28 Oct 91*

[Text] Lahore, Pakistan, October 28 (XINHUA)—Visiting Chinese president, Yang Shangkun, arrived here this afternoon to continue his five-day state visit to Pakistan.

The Chinese president, who flew from the nation's capital of Islamabad, was warmly welcomed at the airport by the governor of Punjab, Mian Mohammad Azhar, and other leaders of this eastern province.

The governor is expected to give a banquet this evening in honor of Yang, who is being accompanied on the trip by Pakistan's president, Khan Ghulam Ishaq.

Lahore, capital of Punjab Province, is Pakistan's second largest city. It is famous for its splendid historical and cultural heritage.

During his stay in Islamabad, Yang Shangkun had formal talks with his Pakistani counterpart covering bilateral relations as well as international and regional issues of common interest.

He also met with Pakistani Prime Minister Nawaz Sharif.

The Chinese president will leave Lahore for Tehran on October 30 on the second leg of his two-nation tour.

Feted by Punjab Governor

*OW2810185791 Beijing XINHUA in English
1713 GMT 28 Oct 91*

[Text] Lahore, Pakistan, October 28 (XINHUA)—Punjab Governor Mian Muhammad Azhar gave a banquet here this evening in honor of visiting Chinese President Yang Shangkun.

Before the banquet, the governor expressed his welcome to Yang and said it is the honor of the Punjab people to have a visitor like the Chinese president.

Yang, who arrived here this afternoon accompanied by Pakistani President Ghulam Ishaq Khan, praised Lahore as a beautiful ancient city and welcomed the governor to visit the Chinese ancient city Xian, the sister city of Lahore.

The Chinese president is scheduled to leave Lahore, the capital of Punjab, for Tehran on Wednesday on the second leg of his two-nation tour.

Lays Wreath at Tomb

OW2910100291 Beijing XINHUA in English
0853 GMT 29 Oct 91

[Text] Lahore, Pakistan, October 29 (XINHUA)—Visiting Chinese President Yang Shangkun laid a wreath this morning on the tomb of Pakistan's most venerable philosopher Allama Iqbal in the northwestern part of Lahore.

Yang was accompanied by Pakistani President Ghulam Ishaq Khan, Punjab Chief Minister Haider Wyne and Governor Mohammad Azhar joined them at the tomb.

A renowned philosopher and poet, Allama Iqbal was the first man to put forward the idea of setting up an independent Muslim state in South Asia. He enjoyed great respect among his people, who honor his memory as one of the founders of Pakistan, which came into being in 1947, nine years after his death.

Later, Yang Shangkun visited the Badshahi Mosque and Lahore Fort, two magnificent structures of ancient architecture, which are adjacent to Iqbal's tomb.

The Chinese president plans to leave Lahore for Iran on October 30 at the end of his five-day visit to Pakistan.

Comparison of Pakistan TV Interview

OW2810135691

Beijing XINHUA Domestic Service in Chinese at 0920 GMT on 28 October carries a report on Yang Shangkun's interview with Pakistani television. The XINHUA Domestic Chinese version has been compared to the XINHUA English version published in the 28 October China DAILY REPORT, pages 26-27, revealing the following variations:

Paragraph one, first sentence reads: October 28 (XINHUA)—Commenting on the significance of his current visit to Pakistan, Chinese President Yang said here today that over the past 40 years since the establishment of Sino-Pakistani diplomatic relations, the Sino-Pakistani friendship... (rewording)

Paragraph two, first sentence reads: ...the Pakistan television, which took place at the Pakistani Presidential Building where he stayed this morning, Yang Shangkun first conveyed the cordial greetings and good wishes from the Chinese people to the friendly people of Pakistan. Then, Yang Shangkun said... (adding words)

Paragraph seven, only sentence, to paragraph eight, only sentence, read: ...its own conditions. All nations, be they big or small, rich or poor, strong or weak, are equal members of international community, and should be entitled to participate in establishing the new order. [new graf] Yang said, "We... (adding sentence)

Paragraph ten, last sentence to paragraph eleven, only sentence read: ...international economic relations." [new

graf] He said: Over the past many years, Asian countries have already established various regional cooperative organizations, and have achieved gratifying results in safeguarding regional peace and stability as well as promoting regional economic cooperation and development. [new graf] He noted that... (adding graf)

Antepenultimate graf, only sentence to penultimate graf, only sentence reads: ...mutual-benefit and cooperation. [new graf] President Yang Shangkun also answered reporter's question on how China has successfully controlled its population growth. [new graf] The Chinese president... (providing additional graf.)

Yang Shangkun Interview With IRNA Reported

OW2910043491 Beijing XINHUA Domestic Service
in Chinese 1511 GMT 28 Oct 91

["Yang Shangkun Gives Written Interview to Iranian Reporters"—XINHUA headline]

[Text] Beijing, 28 October (XINHUA)— In a written interview with Beijing-based reporters of the Iranian Islamic Republic News Agency [IRNA] prior to his state visit to Iran, Chinese President Yang Shangkun expressed his views on bilateral relations as well as the international and regional situation.

[IRNA] Your Excellency, you are the first Chinese president to visit Iran since the Islamic Revolution. Premier Li Peng's recent visit to Iran was very successful. What is the purpose of your visit? In your opinion, which area of bilateral ties has the greatest potential for development?

[Yang] At the invitation of His Excellency President Hashemi-Rafsanjani, I will be paying a state visit to your country in return for the visit by former Iranian President Khamene'i to China in May 1989. The purpose of my visit is to enhance common understanding, deepen friendship, and develop cooperation. During my visit, I will exchange views with the leaders of your country on ways to further develop friendly bilateral relations and cooperation, and on major international and regional issues of common concern.

Sino-Iranian relations have a long history. Through 2000 years of friendly exchanges, the people of the two countries have established a profound friendship. Under the concern of the leaders of the two countries, friendly relations and cooperation, which accord with the common aspirations of the two peoples, have been developing satisfactorily in recent years. China has always attached importance to its friendly relations and cooperation with Iran. We believe that there are great prospects for our cooperation in various fields such as politics, economy and trade, science and technology, culture, arts, and sports.

[IRNA] How does Your Excellency view Iran's role in the region?

[Yang] Being an important country in West Asia and the Persian Gulf region, Iran plays a significant role in maintaining regional peace and security. We appreciate Iran's great efforts both in improving and developing its relations with littoral countries of the Persian Gulf and in safeguarding peace and stability in the region. We sincerely wish the Islamic Republic of Iran further successes in this regard.

[IRNA] Iran, Pakistan, and the Afghan resistance recently held two joint meetings on the Afghan issue. Will Your Excellency raise this issue when meeting Iranian and Pakistani officials during your visits? Does China intend to play an active role in the Afghan issue?

[Yang] During my visits, I will discuss with the presidents of the two countries issues of common concern, including the Afghan question. China has always held that the Afghan issue should be settled by political means and appreciated the efforts made by Iran and Pakistan in seeking an early political settlement of the issue. China supports the five-point proposal put forward by the UN secretary general last May on a political settlement of the Afghan issue, and believes that the United Nations should continue to play a major role in the process, leading to a political settlement of the issue. China will, along with the countries concerned, continue to make efforts to seek an early political settlement of the Afghan issue.

[IRNA] What role will Third World countries play in political and economic cooperation under the new international order? As a major country of the Third World, what role will China play in the new international order?

[Yang] It is the common aspiration of people all over the world to establish a peaceful, stable, just, and rational new international order. Third World countries are eagerly looking forward to an international environment favorable to peace and development.

As an important constituent of the international community, the Third World should have equal rights to participate in the discussions about the new international political order and in its establishment.

Having suffered the same misfortune in the past, the developing countries are again faced with many common problems in their present process of development. It is advisable for them to further strengthen South-South cooperation in the political and economic fields while intensifying the South-North dialogue.

China stands for the establishment of a new international order based on the Five Principles of Peaceful Coexistence. We are ready to hold an extensive exchange of views with other countries in the spirit of seeking common ground while reserving differences, in order to reach a common understanding and make our due contributions to the establishment of a peaceful, stable, just, and rational new international order.

[IRNA] How do you view the future of the Soviet Union? Are not Sino-Soviet relations affected by recent developments in the Soviet Union?

[Yang] As a neighbor, China hopes to see political stability and economic development brought about by joint efforts made by the central government and various republics of the Soviet Union.

Following the normalization of Sino-Soviet relations in 1989, a new type of relationship of good neighborliness, friendship, and mutually beneficial cooperation has been established between the two countries on the basis of the Five Principles of Peaceful Coexistence. I believe that as long as the two sides strictly abide by the two "Sino-Soviet Joint Communiqués," signed in 1989 and 1991 respectively, Sino-Soviet relations will continue to enjoy healthy and steady development.

[IRNA] How do you predict the future of socialism worldwide?

[Yang] It is up to the people of each country to decide what road their country should take, and no foreign country should interfere. In other words, the rights of the people of each country to dictate their own destiny should be respected. We believe that socialism is still something new from the historical point of view, and that it is not strange for it to encounter some twists and turns or even setbacks in the process of its development. There are different kinds of socialism in the world. What China is building is socialism with Chinese characteristics. Whether a social system is workable or not depends on whether it promotes the productive forces and improves the people's livelihood. After a long period of experimentation, the Chinese people have chosen the road of building socialism with Chinese characteristics that has led to China's world-acknowledged successes in developing its economy and improving the lives of its people. We will continue to firmly move forward along this road.

West Europe

Li Peng Meets Italian Industrial Delegation

OW2610091091 Beijing XINHUA in English
0847 GMT 26 Oct 91

[Text] Beijing, October 26 (XINHUA)—Chinese Premier Li Peng met here today with a delegation from the General Confederation of Italian Industry headed by the confederation's chairman, Sergio Pininfarina.

The visit of the delegation, following that of Italian Prime Minister Giulio Andreotti in September, demonstrates Italian Government and industrial circles attach importance to developing Sino-Italian relations. Li Peng was quoted by a Chinese official present at the meeting as saying.

Li said China appreciates the achievements Italy has made in developing its industry and technology, and

spoke highly of the efforts of Italian industry leaders for exploring cooperation with their Chinese counterparts.

From now on, Li told the visitors, China will on one hand focus on the construction of basic industries, and on the other on the technical transformation of the existing enterprises.

He expressed the hope that Italian enterprises not only cooperate with the large enterprises in China, but also in various forms with the medium and small ones.

Pininfarina said this is the fifth time his confederation has sent a delegation to China. He said the delegation members were deeply impressed by the achievements China has made in reforming its economy in recent years, and are more confident of further cooperation.

Vice Premier Zou Jiahua Continues European Tour

Meets Major, Thatcher

*OW2510135991 Beijing XINHUA in English
1345 GMT 25 Oct 91*

[Text] London, October 25 (XINHUA)—China and Britain agreed today to continue regular consultations between senior government officials on economic and technological cooperation between the two countries, Chinese officials said.

The agreement came in a meeting between British Prime Minister John Major and visiting Chinese Vice Premier Zou Jiahua at No. 10 Downing Street this morning.

Major extended a warm welcome to Zou and said that his visit has kept the momentum of senior-level contacts between Britain and China since his visit to Beijing in early September.

The British prime minister recalled with pleasure his visit to China and his meetings with General Secretary Jiang Zemin, Premier Li Peng, and President Yang Shangkun. He added that the visit was "pleasant and beneficial."

Zou, who arrived here on Tuesday on a week-long visit at the invitation of the British Government, thanked Major for taking time to meet him and conveyed greetings from General Secretary Jiang Zemin and Premier Li Peng.

He said that Major's successful visit to China has helped further the friendly relations between the two countries.

Zou added that his current visit was aimed at deepening understanding and promoting economic and technological cooperation between China and Britain.

The Chinese vice premier said that he has gained further confidence in this regard after the first three days of his visit, which, he said, is sure to turn out to be a success.

Major and Zou also exchanged opinions on a number of bilateral issues, according to the Chinese officials.

Zou expressed the hope that apart from an increase in two-way trade, the two countries will strengthen their cooperation in technological cooperation and pooling of capital.

Major expressed Britain's "strong desire" to promote trade with China and to invest in the country. He added that Britain is ready to turn this desire into "concrete results."

Present on the occasion were Ye Qing, vice chairman of China's State Planning Commission, Wang Shuming, deputy secretary general of the State Council, and Ma Yuzhen, Chinese ambassador to Britain.

Earlier today, Zou Jiahua met with former British Prime Minister Margaret Thatcher.

Mrs. Thatcher said that she was "deeply impressed" during her recent visit to China and asked Zou to convey her greetings to Chinese leaders.

Zou gave a brief introduction of economic and political development in China and conveyed greetings to Mrs. Thatcher from Chinese leaders.

This morning, the Chinese vice premier also met with British Energy Secretary John Wakeham.

Tours British Aerospace Plant

*OW2810113691 Beijing XINHUA Domestic Service
in Chinese 0631 GMT 25 Oct 91*

["Newsletter" by XINHUA reporters Xue Yongxing (5641 3057 5281) and Wang Shengliang (3769 3932 5328): "We Have Sighted the Prospects for Cooperation"—XINHUA headline]

[Text] London, 25 Oct (XINHUA)—On the afternoon of 25 October, the civil aircraft manufacturing plant of British Aerospace Ltd. in Hatfield—a small town in the northern suburbs of London—was filled with a festive air. The Chinese and British flags were fluttering in the wind. The corridor to the display and sales hall was laid with red carpet, while the electronic screen in the assembly shop was glittering with a caption which read "Welcome to His Excellency Vice Premier Zou Jiahua of the People's Republic of China State Council."

At 1550, when visiting Vice Premier Zou and his entourage arrived at the factory, General Manager Charles Masfield stepped forward to greet him like an old friend and said humorously: "Mr. Vice Premier, I assure you that this will be a safe landing." Then he immediately led Vice Premier Zou and his party into the display hall and gave an introduction to British Aerospace Ltd. and its products.

British Aerospace Ltd. can claim to be the "flagship" of the British manufacturing industry. The group was formed in 1963 with the amalgamation of a number of long-established airline companies. Presently it has 14,000 staff and workers, boasts an annual turnover of over 9 billion pounds sterling, and exports more than 5 billion pounds sterling in products to 150 countries and regions.

Mr. Masfield said proudly that British Aerospace Ltd. and China have a history of trade and cooperation which extends back over 30 years without interruption. During the 1960's, China purchased the first batch of "Viscount Brand" turboprops. Subsequently, the company also supplied Civil Aviation of China (CAAC) with Trident and BAe146 passenger planes; currently there are 10 BAe146-100 passenger planes in operation for CAAC along the Shanghai, Hohhot, and Lanzhou air routes.

At the production-assembly line, the host informed his guests that the mechanics can assemble three planes monthly and 35 planes yearly with workers working in three shifts, and that the administrative personnel also work in the office of the assembly shops in order to carry out worksite administration.

While at the display hall, Mr. Masfield pointed at the landing gear doors of two planes and said to Vice Premier Zou: "These are made by an aircraft manufacturing plant in China's Harbin city. This marks the beginning of our cooperation, and has been very successful." Answering Vice Premier Zou's question, the host said that besides the landing gear doors, China also produces seven other parts and accessories for the British company. Apart from the Harbin Aircraft Plant, plants in Shanghai and Xian also participate in the cooperation program. Upon hearing that, Vice Premier Zou said delightedly: That's good. We have sighted the concrete fruits and prospects of cooperation! Then, together with the host, they discussed in detail the possibility of China's assembling planes for the British group.

An accompanying senior Chinese official told a XINHUA reporter that British Prime Minister Major had met with Vice Premier Zou that afternoon, and both sides had agreed to continue with the periodic high-level consultations on economic and technological issues, and also with concerted efforts to strive for concrete achievements.

Leaves London for Germany

*OW2810192491 Beijing XINHUA in English
1850 GMT 28 Oct 91*

[Text] London, October 28 (XINHUA)—Chinese Vice Premier Zou Jiahua today left here for Germany to continue his two-nation European tour after a week-long visit to Britain.

During his stay in Britain, Zou, the most senior Chinese official to visit Britain in recent years, met British Prime Minister John Major, Foreign Secretary Douglas Hurd, Trade and Industry Secretary Peter Lilley and Energy Secretary John Wakeham as well as leading British businessmen.

Before leaving, Zou, in an interview, told the World Service of British Broadcasting Cooperation (BBC), that

after a week's visit, he had seen a clear prospect of economic and technological cooperation between China and Britain.

He said both sides expressed their strong desire to improve their relations and promote economic and technological cooperation. With common efforts of the two sides, "the prospect is very good".

Zou specified those areas where China and Britain can cooperate economically and technologically. He named them as coal-mining machinery, aero-planes, engines and petro-chemicals industry.

In the interview, the vice premier stressed the importance of China's economic policy of socialist planned economy integrated with market adjustment.

He said one cannot say market only belongs to capitalism or private ownership. "We also need a socialist market."

Combining strong points of planned economy and market adjustment, he added, China would have a better economy.

Zou pointed out that there are also state-owned businesses in western countries, including France and Britain, and some of them are run profitably so that one cannot simply say state-ownership is bad.

The Chinese Government has decided to help state-owned enterprises raise their efficiency and profitability, Zou said.

Zou returned to London last night after a tour to Scotland where he visited British Petroleum and its North Sea off-shore oil platform.

A Chinese official said Zou's visit to Germany will also last for a week.

Arrives in Bonn

*OW2910025491 Beijing XINHUA in English
0231 GMT 29 Oct 91*

[Text] Bonn, October 28 (XINHUA)—Chinese Vice Premier Zou Jiahua flew from London to Bonn Monday night to pay a six-day visit to Germany.

During his visit, Zou, also minister of the State Planning Commission, is expected to hold talks with Juergen Moellemann, minister of economics, Rudolf Seiters, head of chancellery, and Hans-Dietrich Genscher, minister of foreign affairs and deputy chancellor.

Zou is scheduled to visit some major corporations like Volkswagen, Siemens, and Kruppe.

He will also have informal discussions with people of economic circles in Cologne and brief them on the progress in China's economic construction and reform.

Meets German Minister

OW2910024691 Beijing XINHUA in English
0219 GMT 29 Oct 91

[Text] Bonn, October 28 (XINHUA)—Chinese Vice-Premier Zou Jiahua held talks with German Minister of Economics Juergen Moellemann Monday night on the economic relations between the two countries.

Amidst a friendly atmosphere, the two sides reviewed the development on trade and economy between the two countries in recent years, and expressed their willingness to further strengthen mutual cooperation.

According to sources close to the meeting, Zou, also minister of State Planning Commission, briefed Moellemann on the situation of China's reform and focal point of the economic construction during the Eighth Five-Year Plan (from 1991 to 1996).

Chinese Vice Minister of State Planning Commission Ye Qing and Chinese Ambassador to Germany Mei Zhaorong also attended the meeting.

Rong Yiren Meets Nestle Chairman 23 Oct

OW2310122191 Beijing XINHUA in English
1147 GMT 23 Oct 91

[Text] Beijing, October 23 (XINHUA)—Rong Yiren, vice-chairman of China's National People Congress (NPC) Standing Committee and chairman of the board of directors of the China International Trust and Investment Cooperation, met with Helmut Oswald Maucher, chairman of the Swiss Nestle Company, here today.

The two sides exchanged views on developing economic cooperation between the two countries.

Political & Social

Li Ruihuan in Shanghai: Views Reform, Issues

OW2510183991 Beijing XINHUA Domestic Service
 in Chinese 1016 GMT 25 Oct 91

[By reporter Chen Maodi (7115 3029 1717)]

[Text] Shanghai, 25 Oct (XINHUA)—While inspecting work in Shanghai, Li Ruihuan, member of the Standing Committee of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat, pointed out emphatically that to implement the party's basic line in an all-around way and build socialism with Chinese characteristics, we must emancipate our minds, seek truth from facts, and heighten our consciousness of adhering to the Marxist ideological line.

Accompanied by Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, and Huang Ju, mayor of Shanghai, Li Ruihuan inspected the Pudong Development Zone, key municipal construction projects, the Baoshan Iron and Steel Complex, Shanghai Volkswagen Automobile Company, Ltd., Shanghai Aircraft Manufacturing Plant, and Peiling Microelectronic Company, Ltd., from 19 to 25 October. At the Second Textile Machinery Plant, he had a discussion with some enterprise responsible persons on how to implement the guidelines of the central working conference and upgrade state-run large and medium-sized enterprises. He also visited the Shanghai Biochemistry Research Institute of the Chinese Academy of Sciences, Shanghai Film Studio, and Shanghai Opera School to listen to the opinions of scientific and technological personnel, movie and literary and art workers on developing science and enriching literature and art. He also visited some families in the Tianlin New Village.

After hearing a report on the work of the Shanghai municipal party committee, Li Ruihuan said: Since the introduction of reform and opening to the outside world, Shanghai Municipality has comprehensively implemented the party's basic line. It has achieved marked results and accumulated rich experience in building the "two civilizations" and laid a solid foundation for Shanghai's future development. I hope the masses of cadres and people in Shanghai step the pace of reform and opening to the outside world, accelerate economic development, and strive to do well the work of great strategic importance—the development of Pudong and invigoration of Shanghai.

Speaking on building socialism with Chinese characteristics, Li Ruihuan emphatically pointed out that it is necessary to implement the party's basic line in an all-around way, focus on the central task of economic construction, correctly handle the relationship between adhering to the four cardinal principles and upholding reform and opening to the outside world, consciously adhere to the Marxist ideological line, emancipate our minds, work in a down-to-earth way, be practical, and continue to forge ahead. He said: Building socialism with

Chinese characteristics is a pioneering task. Therefore, we are bound to meet many problems and difficulties of which our predecessors were not aware. If we cannot free ourselves from the fetters of the forces of habits and subjective prejudices, we cannot make a bold attempt to blaze a new trail and forge ahead. Since this great undertaking is an activity of the masses to create history, we must rely on their consciousness and initiative. Leaders must show warmheartedness; pay attention to the grass-roots units; "drop their pretentious airs, make themselves a willing pupil of the masses"; go among the masses to listen to their opinions and pool their wisdom; and be good at discovering and nurturing new things of vitality. In the course of this activity, it is necessary to promptly sum up experiences. That is to say, we must not only sum up our own experiences but also learn from those of others, constantly enhancing our consciousness of doing our work well. In summing up experiences, we should make Marxism as our guide, possess rich practical data, emancipate our minds, use our heads, and conduct a scientific analysis and synthesis.

Li Ruihuan said that in expounding the necessity to adhere to Marxism and the socialist road, Comrade Deng Xiaoping pointed out that "Marxism must be Marxism that is combined with the actual conditions in China, and socialism must be socialism with Chinese characteristics that is compatible with the actual conditions in China." Therefore, we must read books and study conscientiously, and combine the basic theories of Marxism and the party's line, principles, and policies with our practice and work with originality.

Institutions, Staff To Be Frozen Before Congress

HK2910113391 Hong Kong CHING CHI TAO PAO
 in Chinese No. 41, 14 Oct 91 p 13

["China Economic News" article: "Institutional Establishment and Staff To Be Frozen Before Opening of 14th CPC National Congress"]

[Text] It is learned that the Central Institutional Establishment Commission recently decided to freeze the existing institutional establishment and staff until the opening of the 14th CPC National Congress.

China has carried out many rounds of institutional adjustments and administrative structural reforms in the past, but overstaffing is a problem that cannot be thoroughly settled. This has added a heavy burden to state finances. Therefore, the central authorities in Beijing will comprehensively consider the issue of the institutional establishment. According to sources concerned, all types of personnel paid by state finances totally number more than 30 million people, and about 5 million of them are working with government institutions. Functionaries hired by county-level government institutions in an average county number over 1,000 people. Therefore, it is possible to substantially reduce the staff in local governments at various levels, especially those at the county level. The central authorities in Beijing will adopt

measures for encouraging cadres to work in grass-roots units in order to reduce the number of county-level cadres and to reinforce township governments.

At the same time, the authorities will also suspend the process of examining and approving plans for upgrading institutions and changing counties into cities. This is because once a county is turned into a city, its government institutions will expand their size very quickly as five leading bodies will be set up.

The principle of the central authorities in Beijing is to further streamline the existing institutions by reducing the number of functionaries being paid by the state, and at the same time to enhance the quality of government personnel by establishing a set of integrated systems for assessments, promotions, pay adjustments, and other affairs in cadre management.

Qiao Shi Meets Discipline Meeting Participants

OW2910065091 Beijing XINHUA Domestic Service
in Chinese 0934 GMT 28 Oct 91

[By reporter Sun Benyao (1327 2609 1031)]

[Text] Beijing 28 Oct (XINHUA)—Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau and secretary of the Central Commission for Discipline Inspection, this afternoon met with all comrades attending the national conference of secretary generals [mi shu zhang 4434 2579 7022] of commissions for discipline inspection of various provinces, autonomous regions and municipalities.

Chen Zuolin, Li Zhengting and Wang Deying, deputy secretaries of the Central Commission for Discipline Inspection, and other leading comrades of the commission attended the meeting.

After the meeting, Wang Deying delivered a speech at the conference. He emphatically pointed out: Discipline inspection organizations at various levels should clearly understand the situation, know their tasks and further improve their own building in order to make new contributions to improving party style and discipline, establishing an honest government, and building socialism with Chinese characteristics.

Wang Deying said: Under the new situation, discipline inspection organizations are faced with a very important and arduous task. They should closely follow the party's basic line, strengthen the improvement of party style and discipline and the building of an honest government, seriously investigate and handle cases of violating the discipline of the party, promote a healthy development of economic construction with strict discipline, ensure that the reform and opening policy will be smoothly carried out along the socialist orientation, maintain the party's purity through unremitting struggles against corruption, and further promote flesh-and-blood ties with the masses of people.

He pointed out: At present, various localities and departments are studying and implementing the guidelines of the central work conference, are continuing to deepen reform and opening to the outside world, and are seriously implementing the "Eighth Five-Year" Plan and the 10-Year Program. Discipline inspection organizations at various levels should adhere to and carry forward the existing good methods, go deep into the realities of life to investigate and study, have a good grasp of related policies, strengthen party discipline, investigate and handle all kinds of cases of violating discipline, and remove obstacles to and create favorable conditions for improving state-run large and medium-sized enterprises, promoting socialist modernization and carrying out reform and opening to the outside world.

Wang Deying said: "First, it is essential to be resolute, and second, it is essential to persist" in waging struggles against corruption. This is an important measure for strengthening party building and opposing peaceful evolution. According to a statistical report, from 1982 to the first half of 1991, discipline inspection organizations at various levels investigated and handled more than 1.78 million cases of violating discipline by party members. More than 1.26 million party members were punished, of which more than 270,000 people were expelled from the party and more than 80,000 people were punished in accordance with the Criminal Law. During 1989 and 1990 alone, more than 390,000 cases were investigated and handled and more than 320,000 party members were punished, of which more than 70,000 people were expelled from the party, accounting for about one-fourth of party members who were punished.

Wang Deying emphatically pointed out: Heavy and arduous tasks under the new situation have set a new and higher demand on discipline inspection organizations. Secretary generals should consider the work of improving discipline inspection organizations as a constant task, and understand it well. It is essential to adopt effective measures to really improve discipline inspection organizations in terms of ideology, organization, style and system. Discipline inspection organizations and the broad masses of cadres in charge of discipline inspection work should enhance their political enthusiasm, heighten their spirit, work hard with efficiency, and further improve their work to cope with the situation and development of their tasks.

The national conference of secretary generals of various provinces, autonomous regions and municipalities convened by the Central Commission for Discipline Inspection in Beijing from 25 to 29 October is the first such conference since the reestablishment of the party's discipline inspection organization. Secretary generals of commissions for discipline inspection of various provinces, autonomous regions, municipalities and cities with independent economic decision-making authority; responsible persons of concerned departments; and responsible persons of concerned departments of the Central Commission for Discipline Inspection attended the conference. The conference emphatically studied

matters on how to further improve discipline inspection work, raise quality and efficiency, act as good assistant to standing committees of various party committees and raise discipline inspection work to a new level under the new situation.

National Meeting on Social Order Held in Hunan

HK2810104891 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 24 Oct 91

[Text] Delegates from all parts of China to a national experience-exchanging conference focusing on social order rectification have arrived in Changsha. Yesterday afternoon, leaders of the provincial party committee, government, and people's congress, including Comrades Xiong Qingquan, Sun Wensheng, Dong Zhiwen, Shen Ruiting, Zhu Dongyang, and Luo Qiuyue, made a special trip to the guest house to welcome the delegates.

The meeting will be held in Shaoyang. Attending the meeting will be leaders of comprehensive rectification of social order commissions under the central authorities, and also those under provinces, municipalities, and autonomous prefectures, as well as responsible persons of relevant departments.

Qiao Shi Sends Letter

HK2910113091 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 26 Oct 91

"Text" of letter by Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee, to national conference on exchanging key social order harnessing project building experiences]

[Text] To all comrades attending the national conference on exchanging key social order harnessing project building experiences:

At a time when the national conference on exchanging key social order harnessing project building experiences is being held, on behalf of the party Central Committee and the State Council, Comrades Ren Jianxin, Wang Fang, and I pay lofty tribute and extend warm greetings to you and, through you, to all the comrades working on the social order harnessing front. This conference's convocation was decided upon by the Central Social Order Comprehensive Harnessing Commission, which has entrusted Comrade Wang Fang to preside over and deliver a speech at the conference. Key harnessing project building is an important aspect of comprehensive social order harnessing work. This year, various areas and departments have done a lot of work with respect to implementing the spirit of Document No. 7 of the central authorities and various social order comprehensive harnessing measures, created a lot of experiences, achieved tangible results in building key harnessing projects, and, to a certain extent, successfully checked a continual increase of law-violation and criminal activities and safeguarded social order and stability. Nonetheless, we are still confronted with a rigorous social order situation. Many of our comprehensive harnessing measures have yet to be carried out to the

letter. Therefore, we must on no account slacken our efforts in this regard. I hope all of you will, through this conference, conscientiously sum up and exchange experiences; further step up key harnessing project building; forcefully further the on-going anti-larceny struggle in a down-to-earth manner; push forward all types of work aimed at comprehensively harnessing social order in an overall and thorough-going manner; and make greater contributions to implementing the spirit of the recently convened central work meeting and ensuring a smooth progress of our in-depth reform, expanded opening up, and socialist modernization building. I wish the conference complete success!

[Signed] Qiao Shi,

[Dated] 24 October 1991

Scholars Comment on Law, Economic Development

OW2410210691 Beijing XINHUA in English 1546 GMT 24 Oct 91

[Text] Beijing, October 24 (XINHUA)—The social and economic development of a nation is closely related to its system of law enforcement, scholars attending an international symposium here agreed.

The symposium—"Law and Social and Economic Development", which ended here today, was sponsored by the Chinese Academy of Social Sciences (CASS) and attended by over 60 Chinese and overseas scholars.

The symposium was told that between 1986 and 1990 China drew up over 600 laws and regulations, 70 percent of which are concerned with economic operations.

Wang Baoshu, an expert on economic law, told the symposium that the influence of law upon China's economic development lies, first of all, in its confirmation of its pursuit of a socialist commodity economy.

Also spelled out in the laws in China, according to Wang, are property ownership and protection, economic contracts and intellectual property rights.

China's laws have also proved to be an important guarantee for the country's policy of reform and opening to the outside world, said Prof. Liu Han of CASS.

Liu said that by the end of 1990 China's total number of joint ventures amounted to over 20,000, with foreign investment at 18 billion U.S. dollars.

Since the end of the 1970s, sources at the symposium disclosed, China has drawn up a series of economic laws and regulations. They cover a wide range such as taxation, loans, prices, accounting and supervision.

This has promoted macro-economic management in the country as a whole, scholars at the symposium said.

However, they stressed that China's legal system is still in its initial stage.

Wang Baoshu said China now needs to make a series of laws and regulations, including those controlling economic management institutions and safeguarding the socialist commodity market.

These laws and regulations, Wang said, should cover planning, management of fixed assets investment, currency distribution, monopolies and unfair competition.

They should also cover companies, co-operatives, stock exchanges and insurance, Wang noted.

CPC Commission on Leading Role for Legal Daily

OW2310132891 Beijing XINHUA Domestic Service
in Chinese 0837 GMT 23 Oct 91

[Report by RENMIN RIBAO reporter Mao Lei (3029 4320) and XINHUA reporter He Ping (0149 1627): "The Central Political and Legal Commission Issues Circular Specifying FA ZHI RIBAO [3127 0455 2480 1032—LEGAL SYSTEM DAILY] as a Comprehensive Paper for the National Political and Legal Front Under the Central Political and Legal Commission's Leadership"—XINHUA headline]

[Text] Beijing, 23 Oct (XINHUA)—The CPC Central Political and Legal Commission recently issued a circular specifying FA ZHI RIBAO as a comprehensive paper and a common mass medium for the national political and legal front under the Central Political and Legal Commission's leadership. Political and legal departments at various levels should be concerned for and support this paper, and pay full attention to and make use of this propaganda organ.

The FA ZHI RIBAO agency held a press conference today in Beijing to make the above announcement to the press in the capital.

According to briefings, the Central Political and Legal Commission pointed out in its circular: In the past 11 years since its establishment, FA ZHI RIBAO has done a lot of work and made important contributions to various aspects such as publicizing socialist democracy, the legal system, and political and legal conditions in China. The circular pointed out: FA ZHI RIBAO should further improve its work, adhere to the correct political direction, strengthen the internal ideological and political work, and raise the paper's quality so that it becomes a major paper with more distinguishing characteristics and is more conducive to promoting the socialist legal system and the construction of spiritual civilization.

It has been learned that FA ZHI RIBAO's current circulation is 1.6 million issues per day.

Dissident Discharged From Beijing Hospital

HK2910042691 Hong Kong TA KUNG PAO in Chinese
29 Oct 91 p 2

["Special Dispatch:" Bao Zunxin Discharged From Hospital"]

[Text] Beijing, 28 Oct (TA KUNG PAO)—According to a report carried in ZHONGGUO QINGNIAN BAO, Bao Zunxin, who was locked up in Beijing No 2 Prison in mid-May this year, suffered from abdominal pain and had blood in his stool. He feared it was a fatal illness and was also afraid he would not get comprehensive treatment. This became a heavy load on his mind.

When the prison caretakers were informed of this, they immediately sent him to a hospital. According to diagnosis by an expert of the Union Hospital, he had a colon polyp. After receiving electrocoagulation excision in the hospital, he has recovered and is now discharged from hospital.

The report said that Bao Zunxin was deeply touched by this. He said: "During the 50 days in the hospital, I received medical treatment as well as a profound education. I feel grateful as well as ashamed for the intensive care received in the hospital. I feel grateful because I have gotten a new life, but ashamed because I stood on the opposite side of the party during the turmoil, and opposed the 26 April RENMIN RIBAO editorial and martial law. I violated the criminal law, totally betrayed the party, and became a sinner of the republic."

Bao Zunxin said that he will seriously examine himself, admit his guilt, serve the sentence, and transform himself, the report said.

5 Drug Traffickers, 9 Others Condemned To Death

HK2910094391 Hong Kong AFP in English 0928 GMT
29 Oct 91

[Text] Beijing, Oct 29 (AFP)—Courts in three provinces of China have recently sentenced five drug traffickers and nine other criminals to death, according to official press reports seen Tuesday.

The October 24 edition of the Shenzhen Legal Daily said the Shenzhen Intermediate People's Court had "recently" condemned five drug traffickers to death, including two who received suspended sentences.

Five other drug traffickers were sentenced to life in prison in the southern "Special Economic Zone" bordering Hong Kong.

The ten were found to have worked in a criminal organization from December 1986 to May 1989 and to have trafficked 4,150 grams (9.1 pounds) of heroin and 76,400 grams (168 pounds) of opium. Members of the gang also smuggled ginseng, cigarettes and silk and sold

21.8 tonnes of fake ginseng worth 4.3 million yuan (800,000 dollars), making hundreds of thousands of dollars in profits.

The crimes appeared to have involved Hong Kong, as the newspaper denominated the criminals' profits in Hong Kong dollars.

In the western province of Sichuan, the authorities in Jintang County held a mass meeting on October 10 in which 66 criminals were sentenced or indicted, the Sichuan Legal News reported.

Among them, six murderers, rapists, robbers and thieves were sentenced and executed after the meeting, the newspaper said in its October 22 issue.

In Inner Mongolia, three murderers were sentenced to death in the provincial capital of Hohhot on the eve of the October 1 National Day, the Inner Mongolia Legal Daily reported October 29.

Commentator on Using Relief Funds Properly

*HK2910103691 Beijing RENMIN RIBAO in Chinese
26 Oct 91 p 1*

[Commentator's article: "Let Donors Rest Assured, People of Disaster-Hit Areas Be Satisfied"]

[Text] The China Committee of the International Decade for Natural Disaster Reduction and the Ministry of Civil Affairs issued a communique on the situation of the receiving and handling of the money and materials donated from home and abroad, and this is a matter drawing people's attention.

Since summer this year, some parts of our country have been hit by serious floods and waterlogging, and this has touched the hearts of the people of various nationalities in the country as well as the hearts of the Overseas Chinese; it has aroused concern in the international community and, inside and outside the country, a hot trend in donating money and materials to save those in the afflicted areas has emerged. This donation of money and materials has profoundly embodied the traditional virtue of the Chinese nation whereby when one side has a disaster, eight sides come to its rescue; it has embodied the warmth of the big family of the socialist motherland and the Chinese sentiment of blood being thicker than water among the Hong Kong and Macao compatriots and among the Overseas Chinese; and it has embodied the friendliness of the international community toward the Chinese people. Its meaning far surpasses the donation itself.

In order to properly manage and use the large amounts of money and materials donated to us for relief work, and to really embody the wishes of the donors, the China Committee of the International Decade for Natural Disaster Reduction, the Ministry of Civil Affairs, various local governments, and the offices for receiving donations in various localities have done a great deal of

work and made strenuous efforts. They have formulated strict work systems and stringent work procedures, increased the openness of receiving and handling donations, and announced to society the money received and the money sent downward, so as to let the people understand and exercise supervision. The Auditing Administration sent special officials to carry out careful auditing over each batch of money and materials sent by donors. The audit results indicate that the work system for receiving and distributing relief money and materials is sound, the procedures are strict, the accounts are clear, the bills are complete, and the figures match the actual spending. The matter is itself sufficient to illustrate that the departments concerned attach great importance to the work and have a solemn attitude toward it, and the personnel have a great sense of responsibility and are highly responsible to the donors. The offices for receiving donations do not retain a single cent from the donated money or a single sheet of paper from the donated materials; their solemn and serious spirit is praiseworthy, and their work has embodied the purpose of serving the people heart and soul, as well as the spirit of being the people's servants.

Through the great efforts and coordination by various sides, the relief money and materials have been promptly sent to the afflicted areas, and have played an important role in the recovery and reconstruction there. At present, popular feeling in the afflicted areas is stable, social order is good, and disaster victims are well taken care of, while the work of recovery and reconstruction has gotten under way smoothly. At the same time, the auditing departments of various levels in the localities have also carried out serious auditing and monitoring of the distribution and use of the money and materials sent by donors. It is hoped that the departments concerned can continue to develop the revolutionary heroic spirit they have shown during the struggle against floods and for rescue work, as well as the work style of fighting ceaselessly; that they will work carefully, seriously, and in a responsible manner, strictly implementing the regulations on distribution and use of relief money and materials; and that they can adopt earnest measures to really send the donors' money and materials to the disaster victims and to the places badly needing them, so as to let the donors rest assured and satisfy the people in the afflicted areas. We firmly believe that with the government's and the party's correct leadership, and with the care and support of the international community and of the people of various nationalities in the whole country, the work of recovery and reconstruction in the afflicted areas will certainly score greater results.

Deng Lique Writes Philosophy Book Preface

*HK2510075391 Beijing RENMIN RIBAO in Chinese
23 Oct 91 p 5*

["Study Marxist Philosophy" column by Deng Lique: "Have Correct Understanding of Contradictions in Socialist Society, Grasp Initiative in Handling Contradictions"—preface to the book *Studying Philosophy Well*

Brings Lifetime Benefits—Leading Cadres' Reading Notes in Philosophical Studies, edited by RENMIN RIBAO Theoretical Department and published by Shanxi People's Publishing House; last three paragraphs are editor's note]

[Text] Do contradictions exist in a socialist society? For a long time, the answer to this question was negative. After Comrade Mao Zedong gave a positive answer and a brilliant exposition in his article "On Correctly Handling Contradictions Among the People," the contradictions in a socialist society seemed to be acknowledged. But some comrades, restricted by their mentality, are afraid, or are reluctant, to admit the existence of contradictions, especially class contradictions, in our socialist society in their practical work. This is just as Engels said: Verbally acknowledging dialectics is one thing and applying it to each concrete situation is another. However, materialist dialectics made it clear long ago, and the historical experience of scores of years under the proletarian dictatorship also fully proves, that as with anything else and any other social form in the world, socialist society is filled with contradictions internally and externally. Contradictions exist objectively independent of man's consciousness. They follow their inherent logic of development. They do not disappear as wished and willed by reactionary forces, nor vanish as wished and willed by the revolutionary people. Only by bravely and realistically acknowledging them, obtaining a correct and profound understanding of them, and grasping the initiative in handling them can we cope with various complicated and grim situations and win victories in our struggle. Otherwise, we would lose the initiative in handling the contradictions when faced with those in objective existence and end up in a passive position and even being devoured by them as they grow. The most important points in studying and applying philosophy for our cadres, especially leading cadres, are to learn to use materialist dialectics to understand the internal and external contradictions facing our socialist society, to handle these contradictions from the stand of the working class and the general public, and to continue to propel our socialist cause onward.

What is the outlook for the internal and external contradictions facing our socialist society in the present stage? I would like to give a brief exposition on a number of contradictions that concern the overall situation.

After the socialist transformation of the private ownership of the means of production was basically completed in our country, the contradiction expressed as the political and ideological trial of strength between socialism and capitalism was far from concluded. In the present stage, this contradiction finds concentrated expression in the contradiction and struggle between the four cardinal principles and bourgeois liberalization. The four cardinal principles are not abstract political doctrines but, rather, a theoretical summary of the core contents of the existing socialist economic, political, and cultural systems in our country. Upholding the four cardinal principles means endorsing the socialist republic under the

CPC-led people's democratic dictatorship. Owing to changes in the historical conditions at home and abroad, the contradiction and struggle between upholding or negating the four cardinal principles has now become more outstanding, intense, and acute than any other time since the founding of the People's Republic. After the Fourth Plenary Session of the 13th CPC Central Committee, the unchecked expansion of the ideological trend of bourgeois liberalization, which negates the four cardinal principles, was curbed but, because this ideological trend has profound class roots, historical origin, and an international background, the contradiction and struggle between the four cardinal principles and liberalization will continue to exist for a long time to come.

After our socialist system was founded, the production relations were basically in line with the productive forces, as was the superstructure with the economic base. Nevertheless, there were also parts and links wherein conformity was lacking, making reform necessary. Especially today, with historical conditions undergoing tremendous changes, a new scientific and technological revolution flourishing, and the productive forces rapidly developing, it is even more necessary to reform the parts and links in the production relations and superstructure which fail to comply with the fast developing productive forces. We should deepen the reform, expand opening up, and take the initiative to further efforts to solve the abovementioned contradictions. In the meantime, we must soberly be aware that our reform and opening up is carried out against the background of complicated and grim international and domestic class struggle. The reactionary forces at home and abroad are always carefully employing the strategy of induction supplemented with coercion, in an attempt to bring our country's reform and opening up into the capitalist orbit, merge it into the system of world capitalism, and eventually turn China into a Western dependency. Therefore, the contradiction and struggle between reform and opening up as a means of self-improvement and self-development for the socialist system, and reform and opening up as a means of "peaceful evolution" from socialism into capitalism, are inevitable. If we cannot correctly understand and handle this contradiction and adhere to the socialist orientation in reform and opening up, while fighting firmly against liberalization, i.e., capitalist reform and opening up, our socialist cause will be ruined by this growing contradiction.

Because the socioeconomic conditions for the existence and development of commodity economy still exist, and will continue to exist for a long time, the existence and development of commodity economy in our country in the present stage, and for a long historical period to come, will be inevitable. It is also required by the social and economic life and without a doubt, we should develop commodity economy. However, we must understand that the commodity economy in our socialist society and the socialist commodity economy are two connected, but different, concepts. In our socialist society there are many types of commodity economy

with different natures and connected to varied ownerships, namely, socialist commodity economy, capitalist commodity economy, and other commodity economies. There is contradiction and struggle between socialist commodity economy and the other two types of commodity economy. It is imperative to correctly understand and handle this contradiction and struggle, and formulate and implement appropriate policies, so that the other two types of commodity economy can serve as necessary and beneficial supplements to our country's social and economic life. Otherwise, their development will undermine the socialist commodity economy and even the entire socialist system. Apart from analyzing the contradiction between different types of commodity economy, we must also analyze the inherent contradictions of socialist commodity economy, inherent contradictions in the other two types of commodity economy, formulate correct policies, give play to the positive role of commodity economy, and minimize its negative effect. Only by so doing can we promote the development of the social productive forces and the consolidation and perfection of the socialist system.

Our country is not isolated from the outside world but is in the network of connections in the entire world. Apart from correctly understanding and handling the contradictions within our socialist society, we must correctly understand and handle the contradictions in the network of connections in the entire world, especially our contradictions with imperialism and right opportunism in the international socialist movement. This is an important condition for consolidating and developing our country's socialist system.

The contradictions in the ideological, political, and economic field in our socialist society and our contradiction with imperialism and right opportunism in the international socialist movement are, in essence, the contradiction between the socialist and capitalist roads and the contradiction between safeguarding the socialist republic and attempting to subvert the socialist republic and establish a capitalist one. Whether or not we can correctly understand and handle this contradiction determines the future and destiny of our socialist society.

The abovementioned contradictions inevitably find expression in the party. The contradictions and struggles which emerge in the party are not to be wondered at and are not necessarily bad. Comrade Mao Zedong made this profound point a long time ago: "The confrontation and struggle between different ideologies in the party are frequent. This is a reflection of social class contradiction and the contradiction between new and old things in the party. Without contradictions and ideological struggle in solving the contradictions, the life of the party will expire."

In view of the general trend of history, the contradiction between socialism and capitalism will inevitably lead to the eventual victory of socialism and usher mankind into the beautiful future of communism. But, as far as a specific socialist country or a specific historical period is

concerned, there are two possibilities, i.e., victory or defeat, for the destiny of socialism, and a temporary historical retrogression is possible. The crux of the entire issue lies in whether or not the ruling working class party can grasp the initiative in handling contradictions. This is a matter of vital importance. Comrade Mao Zedong, when talking about military struggle, pointed out that if an army loses the initiative, the next thing will be its defeat. This truth has a universal significance. The ruling working class party occupies a central position amid various contradictions and is the focus for them. If it loses the initiative in handling contradictions, and the power to control their development, it will be buried by the expanding contradictions. We ought to bear in mind the lesson from the setbacks in the contemporary international socialist movement.

How can the ruling working class party grasp the initiative in handling contradictions? According to the positive and negative experience in the history and reality of the proletarian dictatorship, the ruling working class party must be equipped with three conditions in order to grasp the initiative in handling contradictions. These three conditions are as follows: 1) It is imperative to have a sober and profound understanding of the various contradictions within and outside the socialist society, especially the contradictions related to the future and destiny of socialism. Overestimation or underestimation or misjudgment of the nature of contradictions, will lead to gross mistakes. 2) Before the working class party seizes political power, the fundamental problem of class struggle is that of political power. The historical experience of the proletarian dictatorship proves that after the working class party seizes political power, the fundamental problem of class struggle is still that of political power. Lenin said: "Which class holds political power determines everything else." The party must keep the state power firmly in hand. Comrade Jiang Zemin pointed out that it is imperative to strengthen our awareness of the fact that we are in power, enhance our ability to rule the country, and consolidate our ruling position. This is very correct. Upholding the people's democratic dictatorship, i.e., the proletarian dictatorship, is the material basis of the initiative. 3) It is imperative to fight firmly against bourgeois ideological trends which have infiltrated our party, including the Western anticommunist ideological trend, the ideological trend of right opportunism in the international socialist movement, and the domestic ideological trend of bourgeois liberalization. We must achieve the unification of fundamental political principles in the party, especially in the party's high-level leadership, and the unity based on Marxism-Leninism-Mao Zedong Thought. Only with these three conditions can we grasp the initiative in handling contradictions and historical initiative. Our party's positive experiences and the negative experiences in the international socialist movement in recent years are eloquent evidence of this truth from both the positive and negative perspectives.

Finally, I would like to quote one of Comrade Mao Zedong's [name as published] teachings as the concluding remark of this preface. He said: "In a word, it is necessary to act in the spirit of dialectics. This is what Comrade Deng Xiaoping said. In my opinion, the whole party should study dialectics and encourage handling affairs in the spirit of dialectics. The whole party should pay attention to ideological and theoretical work, establish a Marxist theoretical contingent, and strengthen the study and propaganda of Marxist theories. It is necessary to apply the Marxist theory of unity of opposites, observe and handle the class contradictions in the socialist society and the new problems in class struggle, and observe and handle the new problems in international struggle."

General Secretary Jiang Zemin's "1 July" speech, while expounding on strengthening the building of the CPC, puts strengthening of the party's theoretical building in first place. It points out: "Faced with the complicated international situation and strenuous domestic tasks, the party must become more mature theoretically" and should "make energetic efforts to upgrade the whole party's understanding of Marxist theory." This is very profound. The history and reality of the international socialist movement have repeatedly proved that strengthening the party's theoretical building is a major issue on which the party's destiny hinges. Without theory, the party would lose its faith and the right to survive. The harsh reality of struggle has made it clear to us all that pragmatism provides a breach for the penetration of "peaceful evolution." In view of this, the high-level cadres of our party should not only be men of action but should first become Marxist thinkers and statesmen, firmly adopt the stand of the working class, and observe and handle problems with scientific world outlook and methodology.

To become Marxist thinkers and statesmen, it is necessary to pay particular attention to learning and studying Marxist philosophy. General Secretary Jiang Zemin repeatedly emphasized: "In the party, first of all among the party's high-level cadres, we should encourage conscientious learning and study of the basic theories of Marxism-Leninism-Mao Zedong Thought, especially Marxist philosophy and the mastery of scientific world outlook and methodology."

In conjunction with the study and application of Marxist philosophy in the whole party, first of all among the party's high- and medium-level cadres, RENMIN RIBAO Theoretical Department solicited contributions of theses on learning and studying Marxist philosophy from some high-level cadres and compiled them into a book entitled *Studying Philosophy Well Brings Lifetime Benefits—Leading Cadres' Reading Notes in Philosophical Studies*, which will soon be published by Shanxi People's Publishing House. Today, we publish the preface to this book written by Comrade Deng Liqun, with which we also open the "Study Marxist Philosophy" column. This column will continue to carry excerpts of some of the articles in *Studying Philosophy Well Brings Lifetime Benefits—Leading Cadres' Reading*

Notes in Philosophical Studies. We welcome contributions from leading cadres at all levels and the party's theoretical workers.

Art Troupe Commended; Wang Zhen, Others Attend
HK2410062091 Beijing XINHUA Domestic Service
in Chinese 1419 GMT 22 Oct 91

[By reporter Dou Guangsheng (4535 1639 3932)]

[Text] Beijing, 22 Oct (XINHUA)—A meeting was held in the hall of the Beijing United Front Work Department this afternoon to report on and commend the "heart-to-heart" art troupe's going to Xinjiang to give comfort performances.

At the commendatory meeting, Ding Guangen, alternate member of the Political Bureau of the CPC Central Committee, secretary of the Secretariat, and director of the United Front Work Department of the CPC Central Committee, passed on General Secretary Jiang Zemin's 7 October written instructions on the report of the situation of the art troupe's going to Xinjiang to give performances. In the instructions, Jiang Zemin said: "This method is very good. The art troupe did a very good job and also received education itself. In the future, it is necessary to send art troupes in an organized and planned way to the major minority nationality regions to promote the mass unity of all nationalities."

Comrades Wang Zhen, Ding Guangen, and Yang Baibing awarded artists "Tianshan prizes."

Vice President Wang Zhen spoke at the meeting, saying: You have been working hard. The art troupe's visits to and performances in all places in Xinjiang were very successful. On behalf of the CPC Central Committee, the State Council, and the Central Military Commission of the CPC Central Committee, I extend cordial greetings to you all.

Yang Baibing, secretary general of the Central Military Commission, also spoke at the meeting. In the period from 31 August to 15 September, when the "heart-to-heart" art troupe gave comfort performances in Xinjiang, it met with a warm welcome from the local party, government, Army, and people. All people of many places welcomed the art troupe and saw it off and there were moving scenes of tens of thousands of people watching the performances. Having watched the performances, many people said excitedly to the performers: In the past, we could see you only on television, but now you have come among us. The party and state are so concerned about us that we must unite more as one, struggle hard, and build Xinjiang well.

During the period of the comfort performances in Xinjiang, the "heart-to-heart" art troupe displayed its spirit of indomitable and hard struggle and selfless devotion and successfully accomplished its comfort performance tasks.

At the commendatory meeting, on behalf of the five sponsoring units, comprising the United Front Work

Department of the CPC Central Committee, the General Political Department of the People's Liberation Army [PLA], the State Nationalities Affairs Commission, the Ministry of Culture, and the All-China Youth Federation, Zhou Wenyuan, deputy director of the PLA General Political Department, gave a report on the "heart-to-heart" art troupe's performances in Xinjiang. Prior to the commendatory meeting, leading comrades of the CPC Central Committee, including Wang Zhen, Ding Guangen, and Yang Baibing, met with all members of the "heart-to-heart" art troupe.

The performers who received the "Tianshan prizes" were: Dong Wenhua, Mao Amin, Wang Xiufang, Liu Min, Kelimu, Cheng Zhi, Yu Junjian, Xiong Qingcai, Yan Weiwen, Han Zhiping, Tong Tiexin, Hang Tianqi, Zhou Lingyan, Aytula, Cheng Fangyuan, Guan Guimin, Zhang Ye, Cai Guoqing, Yang Tiegang, Li Jie, Sun Ping, Lu Chunping, Li Shuxia, Yang Liping, Kang Shaohui, Zhang Yiji, Yin Xiumei, Xiaolin, Li Guosheng, Gao Yingpei, Meng Fangui, Liu Quanli, Li Quanhe, Wang Limin, Lu Zhunian, and Qiu Lin.

Others attending today's commendatory meeting were leading comrades of the relevant departments, comprising the United Front Work Department of the CPC Central Committee, the PLA General Political Department, the Ministry of Culture, the State Nationalities Affairs Commission, and the All-China Youth Federation.

He Jingzhi Addresses Literary Magazine Conference

OW2610043791 Beijing XINHUA in English
0201 GMT 26 Oct 91

[Text] Beijing, October 26 (XINHUA)—"CHINESE LITERATURE," a quarterly literary magazine, celebrated its 40th anniversary on Friday, PEOPLE'S DAILY [RENMIN RIBAO] reported today.

The English edition of "CHINESE LITERATURE" started publication in October 1951; the French edition, 1964. The late and famous writer Mao Dun once served as its chief editor.

The magazine mainly translates and introduces some of China's best contemporary literature as well as selections of modern and classical poetry and prose.

Together the two editions of "CHINESE LITERATURE" have introduced more than 2,000 ancient and modern Chinese writers, and published some 3,000 novels and 2,000 prints of celebrated paintings. The magazine is sold in over 130 countries and regions.

Honorary chief editor of the magazine, He Jingzhi, spoke at the conference, which was attended by some 200 Chinese and foreign writers and scholars.

'Social Sciences in China' Journal Revamped

OW1910024991 Beijing XINHUA in English
1335 GMT 18 Oct 91

[Text] Beijing, October (XINHUA)—"Social Sciences in China," a learned quarterly of the Chinese Academy of Social Sciences and China's only English-language journal in this field, will produce a revamped edition with its 1992 issue, said Managing Editor Feng Shize.

Feng said the new edition will have articles selected and condensed from scores of periodicals, digests of scholarly papers, conference listings, book reviews and a list of important titles that have appeared recently.

The revision will offer, in the same number of pages, more information, wider coverage and better representation of contemporary developments in the fields of humanities, philosophy and other social sciences in China, according to Feng.

Since its launching in the spring of 1980, the quarterly, along with its Chinese counterpart (ZHONGGUO SHEHUI KEXUE, a bimonthly), has published many articles by prominent figures and pioneering views by younger scholars.

Because of its representation of the theoretical summaries and probes for the country's drive for modernization, the quarterly has been well accepted by its readers at home and abroad. Meanwhile, they have offered comments and suggestions. Common views include: lengthy compositions have tended to crowd out more articles and, as a result, reduce the amount of information; theoretical speculation sometimes overshadowed empirical social studies; and the overwhelming majority of articles were selected and translated from the quarterly's Chinese edition, omitting valuable works from other sources.

Following the comments and suggestions of Chinese and foreign readers, editors of quarterly decided to revamp the journal.

The first issue for 1992 will carry an examination of China's future demographic problems, research into population trends among China's ethnic minorities, China's strategy for eliminating illiteracy and theoretical problems in the modernization of traditional Chinese ethics and anthropologist Fei Xiaotong's (Hsiao-tung Fei) report on revisiting three villages in Yunnan Province.

Proposal Urges Better Environment for Students

OW2710172691 Beijing XINHUA in English
1501 GMT 27 Oct 91

[Text] Beijing, October 27 (XINHUA)—The State Education Commission joined with a number of other departments today in calling for even greater efforts towards creating a good social environment in order to ensure the healthy growth of primary and middle school students.

The joint proposal urged all departments and organizations of education, culture, research, press, sports, radio, film and television and schools to draft long-term plans and adopt practical measures designed to create a good social educational environment for the students.

The proposal was jointly issued by the State Education Commission; the Ministry of Broadcasting, Film and Television; the Ministry of Culture; the State Commission of Physical Culture and Sports; the Press and Publication Administration; the All-China Federation of Trade Unions; the Central Committee of the Communist Youth League; the All-China Women's Federation; and the China Association of Science and Technology.

The proposal has received the approval of the State Council and will be implemented in the near future.

The proposal urges museums, exhibition centers, science and technology halls and commemoration centers to regularly admit primary and middle students free of charge, or to charge only a nominal fee.

It also urges relevant departments to organize theatrical festivals, film festivals and other activities, such as song and dance shows, concerts, and fine arts and calligraphy exhibitions in order to attract primary and middle school students.

According to the proposal, particular attention should be paid to activities related to science and technology.

All public libraries, science and technology centers, art galleries, and cultural and sports centers are urged to provide healthy activities for students, and to provide free admittance for students at least one or two times each year.

The proposal also urges all the departments of publication, film, television, culture, education and science and technology to produce more and better works which cater to the interests of primary and middle school students, and to hold activities which provide the best works for children.

According to the proposal, all cultural markets must be restructured, and books, photographs or videotapes which might be harmful to children will be prohibited from publication, circulation and broadcast.

The proposal goes on to say any publications containing counter-revolutionary views or advocating violence, sex and feudal superstition should be destroyed.

Books, films, television documentaries which are of research value but unfit for children should be carefully graded and marked as "unfit for children under 18."

In addition, films and television programs which have artistic value but are difficult for children to understand should be shown after ten o'clock in the evening.

Any performances and exhibitions which might harm children, as well as all types of gambling, are prohibited in public places.

Profit-making video games and billiards centers should be well managed and located a long distance from schools, and primary and middle school students are prohibited from entering profit-oriented ballrooms, bars and other places considered unsuitable for children.

The practice of physiognomy, fortune telling and the sales of paraphernalia related to superstitions are to be resolutely banned.

The proposal urges that urban and rural construction plans should incorporate the construction of children's recreational facilities, and no units are allowed to use sites designated for children's activities.

The proposal also urges parents, retired workers and cadres to play an increasing role in protecting the healthy growth of children.

Tibetan Students Enrolling in Inland Areas

OW2710173391 Beijing XINHUA in English
1534 GMT 27 Oct 91

[Text] Beijing, October 27 (XINHUA)—More than 9,000 Tibetan young people, mostly from farmers' and herdsmen's families, are studying in schools in China's 26 inland provinces and cities.

The inland provinces and cities began to enroll Tibetan students in 1985, a year after the central government made the decision to run schools for training talented personnel from Tibet.

Since China initiated the reform and opening to the outside world policy more than a dozen years ago, the state has made a series of plans for speeding up economic development, traffic, telecommunications, energy construction and major construction in other fields. A great number of special personnel are needed to achieve the goal. As Tibet could not afford to train so many special personnel, the central government decided to call on more developed provinces and cities to share the task.

In 1985, 20 schools in China's 19 provinces and cities including Liaoning, Hunan and Tianjin started 26 classes in middle schools and enrolled more than 1,300 Tibetan students. Three Tibetan middle schools were founded in the same year in Beijing and Chengdu. More than 5,400 Tibetan students are studying in middle schools in 19 inland provinces and cities.

To meet the special needs of Tibet, the State Education Commission decided to open classes in inland secondary technical schools for Tibetans in 1989.

Some 49 secondary technical schools in 26 provinces and cities and attached to 19 ministries including the Ministry of Geology and Mineral Resources, the Ministry of Communications, and the Ministry of Radio, Film and Television have opened classes for Tibetan students.

The special secondary schools offer 45 specialties for Tibetan people. They include energy, post and telecommunications, medicine, agriculture, finance and other specialties. More than 3,600 Tibetan students are studying in those schools now, and that number accounts for about 50 percent of the total number of students in Tibetan secondary technical schools.

The state has invested a huge sum of money in running these Tibetan classes in inland provinces and cities. Tibetan students in these schools enjoy free food, housing, and clothing. The state also allocates an additional 2 million yuan every year as operating expenses. The provinces and cities that run Tibetan classes offer each Tibetan student 300 to 500 yuan a year in tuition.

Jiang Inscribes '18 Sep Incident' Exhibition

SK2610085891 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 25 Oct 91

[Excerpt] The exhibition entitled, Never Forget the 18 September Incident, cosponsored by the provincial cultural department and the (Weifanggong) exhibition hall, evoked strong feelings in society.

The exhibition displayed the 14-year Japanese occupation of northeast China. A large number of historical relics, full and accurate documentation, and a wealth of pictures were on display. All of this reproduced historical events in northeast China: the Japanese military invasion, the intentional murder of the people, and the plunder of the natural resources. The exhibition extolled the spirit of the northeast Chinese people indomitably resisting Japan and finally winning a victory under CPC leadership.

Jiang Zemin, general secretary of the CPC Central Committee, personally wrote an inscription for the exhibition. [passage omitted]

Li Tieying Congratulates Logistics Technicians

OW1710090491 Beijing XINHUA Domestic Service in Chinese 1126 GMT 16 Oct 91

[By reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 16 October (XINHUA)—At the Great Hall of the People today, 22 skillful craftsmen from the logistics departments of central organs received technicians certificates, awarded by the Committee for Appraising Workers of Central State Organs and the Government Offices Administration Bureau.

State Councillor Li Tieying congratulated the first comrades qualifying as technicians. He said: The implementation of the technician appraisal and employment system is an important event in the logistics departments of central organs, especially among the workers. From now on, we should establish and improve systems for examining and appraising the workers' political thinking and craftsmanship, so as to gradually build a contingent of workers with sound political thought, excellent skill, and a persistent style of work.

According to relevant briefings, the first batch of technicians come from the professions of machine-building and electronics, renovation and construction, automobiles, and printing. Many of them bear the titles of advanced producer, advanced innovator, and excellent Communist Party member.

Li Dajing, a refrigeration technician at the Great Hall of the People, said: As the first logistics workers of the central organs qualified as technicians since the founding of our People's Republic, we deeply appreciate the significance of the honor and the heavy responsibility on our shoulders. He said that he would provide even better service to the central organs along with fellow logistics workers.

Guo Ji, chairman of the Committee for Appraising Workers of Central State Organs and director of the Government Offices Administration Bureau, praised the technicians as the true "leaders" and principal force in the logistical work of central organs. He stressed the need to establish a regularized appraisal system in the future to gradually solve interrelated problems with regard to policies on the training, appraisal, employment, and remuneration of logistics workers of the central organs, as well as to train more outstanding and qualified personnel from the contingent of the logistics workers of the central organs.

Responsible persons from the Ministry of Labor, the Ministry of Personnel, and the Committee for Appraising Workers of Central State Organs attended the certificate presentation ceremony.

Leaders Attend Henan Festival Opening

HK2510091391 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 20 Oct 91

[Excerpts] To mark the 60th anniversary of the establishment of the people's defense industry, the 40th anniversary of the establishment of the aeronautics industry, and the 35th anniversary of the establishment of the astronautics industry, the provincial Office of National Defense Science and Technology and Industry and the provincial National Defense Trade Union jointly sponsored the First Henan Provincial Light Industrial Festival. The opening ceremony for the festival was held yesterday [20 October] on the square of the provincial People's Hall. Leading comrades from various central defense industrial departments and commissions, the provincial CPC committee, the provincial

people's congress, the provincial government, the provincial Chinese People's Political Consultative Conference committee, the provincial military district, and relevant departments and bureaus under the provincial authorities were seated on the rostrum. They included Xie Guang, Li Changchun, Yan Jimin, (Zhou Zhi), Song Zhaosu, Wu Guangxian, Li Ziqiang, (Song Guochen), (Ye Zhaoxia), Ji Hanxing, (Hu Pingji), Liu Yujie, and others. [passage omitted]

At the opening ceremony, (Shen Baiying), director of the provincial Office of National Defense Science and Technology and Industry, delivered a speech. He said: Our purpose in holding the first provincial light industrial festival is to widely propagate the contribution made by our provincial military industrial sector to the development of our national economy and Henan's economic invigoration in the great strategic transition characterized by integration of civilian and military industries proposed by the CPC Central Committee, and the full utilization of surplus production capacity and strong points in technology and facilities, and large-scale production of civilian products under the prerequisite of the fulfillment of the tasks of manufacturing military products, carrying out scientific research, and promoting production. This will enable the broad masses of people to fully understand the importance and role of science and technology and industry in national defense under the present rapidly changing international situation and more complicated historical conditions, so that they will further enhance their sense of national defense and show more concern and support for the development of science and technology and industry for national defense. [passage omitted]

Wang Zhen Cited on Cornea Donation

OW2210225491 Beijing XINHUA Domestic Service
in Chinese 1539 GMT 22 Oct 91

[By reporter Chai Shikuan (2693 0013 1401)]

[Text] Beijing, 22 Oct (XINHUA)—Vice President Wang Zhen gladly and seriously signed a form printed with the words "I pledge to donate my corneas to the Chinese people after my death" in the Great Hall of the People this afternoon.

Wang Zhen said to Oliver Foot, President of the Project Obis Corporation who is visiting Beijing: "I am over 80

years old. When I go to see Marx and Chairman Mao, I will ask my relatives and staff to ensure that my promise is kept."

The Project Obis Corporation is an international charity organization devoted to restoring sight to blind people and eye patients. Since 1982, the "flying eye hospital" under this organization has visited China six times to treat Chinese patients.

Foot said that he knew that Wang Zhen has made many contributions to the Chinese people. He praised Wang Zhen's voluntary donation of his corneas as "doing a good thing for the blind in China." Then, Foot pinned a Project Obis badge on Wang Zhen's collar.

Gu Yingqi, vice minister of public health, who was present at the meeting, said to Wang Zhen happily: Voluntary donations of organs have just started in China. "You have taken the lead in doing so today."

Wang Zhen told both Chinese and foreigners present about his experience with enemy chemical bombs during the War of Resistance against Japan. He said: "At that time, my eyes kept shedding tears. Without timely treatment, I might have lost my sight. It was the Chinese people's good friend, the world-famous Dr. Bethune, who treated me promptly at the front and brought my eyes back to normal. For this reason, I owe many thanks to Dr. Bethune, and I appreciate the service of eye doctors."

Foot told Wang Zhen: In the last nine years, the flying eye hospital of the Project Obis Corporation has shuttled among more than 70 countries, performed eye surgeries for more than 10,000 patients, and it has trained 15,000 eye doctors. From August to October this year, it performed surgeries free of charge for more than 400 patients in Xian and Changsha and trained over 2,000 doctors there.

Wang Zhen extended his warm welcome to Foot and his party on behalf of the Chinese Government and people. He spoke highly of the work of the Project Obis Corporation. He said: "You have restored sight to many blind people, and they will remember forever your most meaningful work."

Foot said that Chinese doctors are very intelligent and very diligent, and he and his colleagues have enjoyed cooperation with Chinese doctors, adding that he and his colleagues have profound feelings toward China and are willing to cooperate with Chinese friends for a long time.

Science & Technology

Daya Bay Nuclear Plant 'Safe' Despite 'Faults'

HK2210111391 Hong Kong SOUTH CHINA
MORNING POST in English 22 Oct 91 p 3

[By Daniel Kwan]

[Text] The Daya Bay nuclear power plant is safe but falls short of the standards required by its French manufacturer, according to a Chinese energy expert.

Mr Wang Zhende, a senior cadre at the Ministry of Energy (MOE), said they had discovered faults in the design of the nuclear plant and extra staff had been arranged to make up the time lost making corrections.

Mr Wang said at least 200 Chinese technicians transferred from the Qinshan Nuclear Plant near Shanghai were under training at Daya Bay.

Mr Wang, who still oversees several key energy projects in China although he has retired from the MOE's Capital Construction Department, said construction at Daya Bay would take at least one more year.

"They (the French) have very strict standards on nuclear power and our engineering teams have difficulties in adapting to their standards...specially in the installation of piping," he said.

"The French delivered the equipment half-a-year late and this explains the delay," Mr Wang said.

However, Mr Wang said they had no plans to bring in foreign technicians to speed up construction.

Mr Wang confirmed that proposals have been made by Guangdong authorities for a second nuclear facility in the province.

At least three sites have been put forward; Daya Bay, Yangjiang and Taishan.

According to Mr Wang, the Chinese Government was not prepared to invest heavily in nuclear power and would continue to utilise fossil fuel and hydroelectric power to meet its energy needs.

"Environmentally speaking, nuclear power is clean but it takes a long time for construction and involves large sums of money," he said.

"Therefore, we are not going to build a large number of nuclear plants—at least not before the end of this century."

Adheres to French Standards

HK2510003491 Beijing ZHONGGUO XINWEN SHE
in English 1508 GMT 24 Oct 91

[Text] Hong Kong, October 24 (CNS)—Construction of the Daya Bay Nuclear Power Station has met the quality levels and safety standards set by France. With the

completion of civil construction work on nuclear islands No. 1 and No. 2, the power station has entered the peak period of installation with the main equipment being properly installed. The current work lies in the installation of pipes and cable systems. The power station is gradually undergoing trial operations in preparation for full-scale running. Judging from the present progress, the No. 1 nuclear generating unit is scheduled to start operations in the summer of 1993.

After consultation with the Guangdong Nuclear Power Joint Venture Company Limited (GNPJVC), the Hong Kong Nuclear Investment Company Limited (HKNICL), in response to a news report last week in the territory on problems concerning the construction procedures of the power station, issued a statement saying that construction had always conformed from the very beginning with quality and safety levels set by France. These standards had never been compromised in any way, nor would they be in the future.

The power station, assimilating the experience gained in the construction of nuclear power stations elsewhere in the world, decided to have its pressured water reactor equipment built by Framatome which employs standardized and systematic operations to guarantee safety. Turbine generators installed in the conventional island were supplied by GEC Turbine Generators of the United Kingdom. Project services also went to French enterprises which are full of experience in the construction of nuclear power stations.

The statement by HKNICL said that quality control carried out by joint venture companies and contractors ensured that the parties concerned strictly abode by the stipulated standards and procedures. Relevant documents had to be filed in detail and omission of any particular work procedures would never occur.

Construction procedures were carried out in accordance with four "musts": personnel taking part in the construction must be qualified; machines and tools as well as materials used in the construction must under prior inspection; the construction work must be under programme control and records along with information concerned must be kept complete.

The entire project management panel is made up of personnel both Chinese and foreign including senior management staff of Hong Kong's China Light and Power Co. Ltd., project management experts and engineers from nuclear power plants in France, the United States, Britain and Japan. The management control panel which was modelled on a typical management pattern employed by nuclear power plants throughout the world, was prudentially set up in accordance with the requirements stipulated in the project contract and with the actual need resulting from progress on the project. Such a composition made it necessary to work in line

with international management patterns on the construction and abide by international practices. The construction of the Daya Bay Nuclear Power Station, therefore, can not help but proceed in a precise way in terms of quality, progress and investment.

Environmental Impact of Nuclear Plant Studied

OW2710173591 Beijing XINHUA in English
1531 GMT 27 Oct 91

[Text] Beijing, October 27 (XINHUA)—China National Nuclear Corporation announced today that an environmental impact study for second phase construction at the Qinshan Nuclear Power Plant in Zhejiang Province was completed recently.

The investigation is a major aspect of preparations being made for the construction of two 600,000-kilowatt nuclear generating units during the Eighth Five-Year Plan period (1991-1995). The first phase of the project is nearing completion.

The study covers the population, land-use, forests, aquatic products and other resources and lists industrial and agricultural production within a 300 kilometers of the site for the second phase.

The study also includes data concerning external factors, and conditions for coping with emergencies, as well as use of the construction achievements recorded during the first phase.

Corporation officials said that the results of the study provide a complete and reliable basis for designing the second phase project.

Deng's Science, Technology Thesis Reviewed

HK2010062091 Beijing RENMIN RIBAO in Chinese
11 Oct 91 p 5

[By Ruan Zhiwei (7086 4249 0251): "Give Full Play to Great Role of Science, Technology as Primary Productive Force—Studying Comrade Deng Xiaoping's Scientific Thesis 'Science, Technology Is Primary Productive Force'"]

[Text] In September 1988, Comrade Deng Xiaoping summarized the new tendencies and experiences in world economic development since the end of World War II, especially the recent two decades, and set forth for the first time the scientific thesis "science and technology is the primary productive force," aiming at the profound changes resulting from modern social productive forces with Marxist boldness of vision and theoretical courage while reminding the whole party and people nationwide to attach great importance to this important issue that has a bearing on the whole situation of socialist modernization.

1. The Scientific Thesis "Science and Technology Is the Primary Productive Force" Is the Inheritance and Development of Marxist Theory on the Productive Force

Since human society entered the age of civilization, science and technology have increasingly revealed their tremendous role in pushing and changing the economy and social development. Proletarian revolutionary teachers paid extremely great attention to and highly assessed the important place and role of science and technology in productive force development and social progress. Marx was the first to reveal the great role of science and technology in changes with regards to the productive force development. He pointed out: "General social knowledge has, to a very great extent, converted to direct productive forces" ("Collection of Marx and Engels," vol 46, book two, pp 219-220). In his "Manuscript of the Memorial Speech at the Grave of Karl Marx," Engels stated: "Marx was the first to view science as a powerful lever in history, and a revolutionary force in the fullest sense" ("Collection of Marx and Engels," vol 19, p 372.) Later, both Lenin and Comrade Mao Zedong discussed the issue that science and technology is a productive force.

Comrade Deng Xiaoping attaches great importance to the important place and role of science and technology in productive force development and social progress. In 1977, he pointed out: "The key to achieving modernization is the development of science and technology." ("Selected Works of Deng Xiaoping," 1975-82, p 37). In his speech at the opening ceremony of the national conference on science delivered 28 March 1978, he stated: "The basic factors in the productive forces are the means of production and labor power." "Throughout history, the means of production have always been linked with a given type of science and technology, and, likewise, labor power has always meant labor power armed with a certain degree of knowledge of science and technology." "Modern science opens the way for the improvement of production techniques and determines the direction of their development" (Ibid p 85, p 84). In 1988, Comrade Deng Xiaoping set forth, with originality, the thesis, "science and technology is a productive force, and the primary productive force." This clear-cut scientific thesis reveals the important place of science and technology in various essentials of contemporary productive forces as well as the primary role of changes with regards to contemporary productive forces and socioeconomic development, while enriching and developing the Marxist theory on science, technology, and productive forces.

Comrade Deng Xiaoping not only expounded the thesis in theory but did his best in practice to advocate the development and application of science and technology, especially high technology. In March 1986, he personally initiated and formulated China's first "Plan for Development in Hi-Tech Research," while encouraging scientists and technicians to take an active part in world competition in high technology to occupy a seat in the

world hi-tech arena. In April of this year, Comrade Deng Xiaoping wrote the inscription, "Develop High Technology, Realize Industrialization," and further illuminated the orientation for China's hi-tech development.

Practice is the sole criterion for testing truth. Comrade Deng Xiaoping's scientific thesis, "science and technology is a productive force, and the primary productive force," has not only been fully demonstrated in Marxist theory, but fully testified by the historical practice in contemporary social development. The rapid hi-tech development since the 1970's with electronic information technology, biological engineering, and new material technology as its representatives has promoted the arrival of the new industrial revolution, which in turn led to the tremendous changes in mankind's production mode and lifestyle, and turned over a new leaf of human history, namely, accelerating the change from mainly relying on physical labor to mental labor in production process, with intelligence intensive type production gradually becoming the chief form in creating wealth. Because science and technology is now playing a decisive role in productive force, contemporary world economic development and competition have increasingly evolved into the fierce competition in science and technology; consequently, developing science and technology in a big way, high technology in particular has become an important strategy of many countries. Today, he who is ahead in mastering high technology will become a world power. He who is backward in the hi-tech arena will become passive, beaten, and bullied. Developing high technology and realizing industrialization have become the hallmark of giving full play to the role of science and technology, the primary productive force.

2. Giving Full Play to the Great Role of Science and Technology, the Primary Productive Force Is the Key to Realizing China's Strategic Goal of Socialist Modernization

China's socialist system has basically broken the shackles binding the development of productive forces, science and technology, while making science and technological development a lofty undertaking that brings happiness to mankind and the source of strength for socialist modernization. The linking of science and technology to the socialist system, the practice of hundreds of millions of people, especially the creativity of scientists and modernization, will produce a tremendous force to create wonder.

The basic task for socialist society is to develop the productive forces. The Central Committee sets great store on the important role of science and technology in socioeconomic development. In the early days since the PRC's founding, Comrade Mao Zedong stood high and saw far, and issued the great call "Advance To Science," which guided and pushed the rapid development of a series of new-rising science and technology with a large number of scientists and technicians cultivated and

brought up. The vigorous development of China's undertakings in science and technology in the 1960's and 1970's greatly elevated China's international prestige.

Under the guidance of the party's basic line since the Third Plenary Session of the 11th Central Committee, the principle "economic construction must rely on science and technology; science and technological work must face economic construction" has been earnestly implemented in China's science and technology front. It enthusiastically pushed science and technological restructuring, and exerted all-out efforts in facing the economy, the main battlefield, developing high technology and new hi-tech industries and augmenting basic research with eye-catching accomplishments and made due contributions to smoothly realizing the first-step strategic goal. Historical experiences testify to the truth that China's socialist system has opened up bright prospects for emancipating and developing science and technology, the productive forces. The acceleration of science and technological development is possible only when pursued on the socialist road, and socialist construction is possible only when conducted on the basis of modern science and technology.

The great strategic significance of Comrade Deng Xiaoping's thesis "science and technology is the primary productive force" lies in the fact that it has illuminated the basic channel to accelerating productive force development to the whole party and people across the country. This has precisely shifted economic construction onto the track of relying on science and technological progress and improving workers' qualities. Just as Comrade Jiang Zemin pointed out in his speech delivered at the Fourth Congress of the China Association for Science and Technology, this "is the further deepening of the transfer of work focus decided at the Third Plenary Session of the 11th Central Committee, while pushing such transfer to a higher plane, and is likewise of strategic significance. If the shift of work focus of the whole party onto the track of taking economic construction as the key has ensured the realization of the first-step strategic goal, the shift of economic construction onto the track of relying on scientific and technological progress will definitely ensure the successful realization of the second-step strategic goal, while laying down solid foundation for realizing the third-step strategic goal in the future." The four cardinal principles are the base on which to build our nation, reform and opening is the road to make the nation strong, and scientific and technological progress is the source for making the nation prosper. They are the three pillars for building socialism with Chinese characteristics.

For this sake, it is necessary to resolve some issues of understanding and practical problems:

1) A large country like China, with a huge population and relative shortage in natural resources, can no longer afford extensive reproduction with excessive consumption in natural and energy resources as well as raw materials to complete the process of industrialization. It

is imperative to rely on scientific and technological progress to readjust the industrial setup to do a good job with large and medium state-run enterprises through emancipating science and technology as productive forces to step up the rate and improve quality as well as economic results.

2) China must seek survival and progress of its economic development in a climate of international competition and cooperation. To be conservative in an opening environment, China will only remain backward for a long time. An opening environment does not allow us to stay put in science and technology, but compels us to develop the entire national economy by relying on scientific and technological progress.

3) The deepening of reform and development of the commodity economy have provided strong impetus for enterprises to blaze new trails in technology. Presently, to do a good job with large and medium state-run enterprises, it is imperative to primarily emancipate science and technology as productive forces. Only by blazing new trails in technology will enterprise development be filled with vitality and vigor.

4) Today, China has already possessed a certain scientific and technological strength with tremendous potential in developing new technological industry. We must be determined to develop high technology to realize industrialization and catch up with the world level of the new revolution in science and technology.

3. Implement the Idea "Science and Technology Is the Primary Productive Force" in Reform and Opening Up in a Down-to-Earth Manner

To accelerate building socialism with Chinese characteristics, it is imperative to implement the idea "science and technology is the primary productive force" in a down-to-earth manner.

1) On the basis of many localities and departments nationwide implementing such strategies as reinvigorating "the province," "the city," and "agriculture" with science and technology, it is necessary to establish the strategic idea of relying on the progress of science and technology among the whole party and people nationwide to rouse their attention to support and participate in the great practice of developing science and technology, so that all undertakings can be included on the track of taking scientific and technological progress as the guidance in realizing socialist modernization.

2) It is imperative to further substantiate, complete, and perfect the principle of "relying on science and technology to face economic construction" to form a clear picture that economic construction must rely on, and support work in science and technology, whereas work in science and technology must face and guide economic construction to promote the harmonious development in science and technology, economy, and society.

3) Based on the goals of the Eighth Five-Year Plan and the 10-Year Program, it is necessary to formulate and implement the Eighth Five-Year Plan and 10-Year Program for the development of science and technology, while formulating and implementing the long- and medium-range programs for science and technological development as quickly as possible. At the same time, it is necessary to take a firm grasp in formulating and implementing a "decree of science and technological progress" to include science and technological progress on the track of legal protection. It is necessary to pay greater attention to and augment research in soft science to improve the scientific and democratic levels in decision-making.

4) It is imperative to augment the state's unified leadership and coordination in work concerning science and technology to develop new and high technologies and other industries while doing a good job of facing economic construction as the main battlefield, with focus on resolving such important issues as the population, environment, and natural resources. While continuing to augment in-depth arrangements of basic research, it is necessary to conduct appropriate readjustment and optimum reorganization of the forces and structure of scientific research to concentrate forces to tackle some important scientific and technological bottlenecks. We should follow the example of such proletarian revolutionaries of the older generation as Zhou Enlai and Nie Rongzhen in grasping the research-production of "two [atomic and hydrogen] bombs and a satellite" in grasping a few important matters in science and technology, especially the key areas and forward positions in high technology, and strive to break through some projects of important socioeconomic value and world advanced level to augment China's national strength and elevate its prestige.

5) It is necessary to basically resolve the divorce of science and technology from the economy and establish a new structure and mechanism, which are conducive to economic development and science and technological progress and fall in line with the development of socialist planned commodity economy through deepening economic and scientific and technological restructuring. At the same time, we must further push opening up and extensively unfold international cooperation and exchanges in science and technology based on the world's rapid development of science and technology and the current of increasing merger into an integral whole [as published].

6) In developed and new-rising industrialized countries today, the input for research and development accounts for 2 percent of their GNP's, whereas it is only around 0.7 percent in China. Hence, the need to basically change the concept and practice of viewing input for science and technology as nonproduction input, while we must be determined to increase the state's allotment to science and technology, with a growth higher than the growth rate of the constant revenue in the state's finances, while encouraging enterprises' input, increasing the bank's

credit volume to provide powerful support for research and development in science and technology. And,

7) Scientists and technicians are the carriers of science and technology, the very people who blaze new trails of science and technology as the primary productive force, the sector of the working class who have knowledge and vitality, and the pillars of socialist modernization. We must implement the socialist principle of distribution according to work, adopt resolute measures to resolve the problem of treatment of scientists and technicians being on the low side with rather poor work conditions to give maximum play to the enthusiasm and creativity of the scientists and engineers while further creating a sound atmosphere of "showing respect for knowledge and qualified people" to train and bring up a huge contingent of scientists and technicians.

The 21st century sees the development of high technology. Whether or not it is possible to give full play to the role of science and technology as the primary productive force to improve China's national economy has a direct bearing on the future and fate of the party and state, the success or failure of socialist modernization, and whether or not socialism will eventually defeat capitalism. On this plane, comrades of the whole party and all Chinese people should profoundly see the great realistic, and far-reaching historical significance of Comrade Deng Xiaoping's scientific thesis "science and technology is the primary productive force."

Huang Ju Speaks on Science, Technology Parks

OW2710140891 Shanghai JIEFANG RIBAO
in Chinese 22 Oct 91 p 1

[Text] On the evening of 21 October, Mayor Huang Ju hosted a banquet at the Huating Guesthouse and delivered a speech in honor of the representatives of all countries and regions who attended the workshop on science and technology industrial parks of the Pacific Economic Cooperation Conference [PECC]. Song Jian, Li Luye, Zhu Lilan, and Ni Tianzeng were present.

After briefing the representatives on the situation in Shanghai's scientific and technological circles, Huang Ju said: Developing Pudong and opening it to the outside world in the 1990's are among China's key tasks. Pudong is 350 square km in area, tantamount to the sum total of the areas of China's existing 14 economic and technological development zones. The new Pudong area will develop both industry and agriculture and other tertiary industry. What is more important is that it will also develop hi-tech industry and newly emerging industries. Since last year, the development of Pudong has actually been in progress. The "Ten Major Projects of Shanghai" marked by the South Huangpu Bridge and the Yangpu Bridge are now under construction. It is estimated that most of the infrastructure projects can be completed within three years. The construction of the three small development zones has started. More than 250 projects financed by China and foreign firms have been approved, with total investments reaching \$450 million.

Projects with an additional total investment of \$3.6 billion are under discussion at talks. To spur Shanghai's progress in science and technology, we decided to build Beicai and Zhangjiang High Science and Technology Parks, with modern information technology and new materials as their key characteristics, in an area of 8 square km in Pudong. We are now accelerating the start of their construction. He joyfully told the honored guests: Shanghai's investment environment has greatly improved and there are more than 1,300 enterprises that are partially or wholly foreign-owned, which constitute one-thirty-sixth of the total number of such enterprises across the country. This is Shanghai's superiority. However, the proportion of Shanghai's high and new technology is still not big enough. We hope the convening of this workshop will spur Shanghai's partially or wholly foreign-owned enterprises to develop in the direction of high and new technology.

Technical Export Corporation Seeks Foreign Trade

HK2710065091 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 27 Oct 91 p 1

[By staff reporter Wang Xiangwei: "China's Top Tech Trader Hunts for Sales Abroad"]

[Text] China National Technical Import and Export Corporation (CNTIC), the country's largest importer of technology, is now setting its sights on exporting Chinese technology and industrial installations.

Tong Changyin, CNTIC president, disclosed to BUSINESS WEEKLY last week what he called "the strategic shift" in the corporation's long-term development strategy.

"There are good prospects for Chinese technological products on the international market," he said.

"China has a wide range of technologies and industrial installations which can find buyers in the developing countries and the newly-industrialized countries of Asia."

Tong and his sales managers have already worked out a detailed sales plan to break into the international market.

For developed countries such as Japan, Western Europe and the United States, the company would focus on expanding exports of China's high technology as well as hi-tech products.

For developing countries, the emphasis would be on industrial assembly lines and installations.

On the Soviet and former Eastern European markets, the company would try to sell light industry, textile and electronic equipment as well as contracting for projects and exporting labour services.

Tong said that at present, the corporation was concentrating on comprehensive investigation of foreign markets and sending sales teams to foreign countries to scout for business opportunities.

On the domestic front, they would forge close links with construction and manufacturing companies, and greatly expand the sources of products for exports.

But Tong admitted that the company still has a long way to go to complete its strategic shift because many Chinese factory managers and government officials looked only at the domestic market.

And the corporation would continue to import a large amount of technology from foreign countries over the next five years.

Although CNTIC, established in 1952, has been authorized by the central government to deal in technological imports and exports, the corporation has been mainly concerned with imports for the past 40 years.

By the end of 1990, the corporation had spent \$40.5 billion to import over 2,000 items of technology and industrial installations.

CNTIC started technological exports in 1986 but the business gained momentum only last year when Tong became the general manager.

Before then, he was one of CNTIC's deputy general managers in charge of technological exports.

Tong said the corporation had scored an initial success, with the value of exports soaring to nearly \$72 million in 1990 from a mere \$2.29 million in 1987.

In the first nine months of this year, the corporation delivered technological products worth some \$44 million, exceeding the government-set target of \$40 million.

They also clinched deals involving \$120 million of products to be delivered over the next two years.

Products and industrial installations on offer from the corporation were in the fields of electronics, computers, telecommunications, machine building, chemistry, metallurgy, textiles and light industry as well as production and assembly lines.

Exports have already gone to over 20 countries and regions such as the United States, Japan, Singapore, South Korea, and Pakistan.

Worldwide Interest in 'Spark Program' Viewed

OW2810134491 Beijing XINHUA in English
1247 GMT 28 Oct 91

[Text] Beijing, October 28 (XINHUA)—China's Spark Program, a scientific program for rural development, has aroused interest around the world, particularly among Third World countries.

The Spark Program is a scientific and technological development program worked out by the State Science and Technology Commission. Put into practice in 1986, the program is aimed at providing local economies and small and medium-sized enterprises, village and township enterprises in particular, with widely applicable techniques.

In the past three years, 9,600 projects have been arranged by the central government and by local governments. A total of 360,000 scientists and technicians now work for the program in smaller enterprises, rural businesses, and poverty-stricken areas, and 2.5 million people have been trained for rural development programs.

"The success of China's Spark Program is of great significance for the rural development of the Asia-Pacific region and the Third World," an official from the United Nations remarked after a recent inspection of some of its projects. He suggested Chinese scientists be sent to the Asia-Pacific countries to set up demonstration stations.

According to the State Commission of Science and Technology, the past year has seen the international cooperation of the Spark Program extended into the fields of finance, management and personnel. For example, the World Bank's loans for the program were among the first industrial loans from the bank to China since it resumed loaning to China in 1988.

The Spark Program has increased China's foreign trade. China first exhibited its Spark Program at the Scientific and Technical Trade Fair in Bangkok, Thailand last December, netting sales totalling 100 million yuan.

"The technical level, applicability and prices of the Spark Program projects are especially attractive to the developing countries," Kong Deyong, an analyst from the commission said. "The technical products of the program's labor-concentrated projects and China's unique food processing machinery will take hold in the markets of developing countries."

Backed by Song Jian, state councilor and minister of the State Commission of Science and Technology, Kong and researchers are developing a marketing plan for selling the Spark Program on international markets.

Nie Rongzhen Writes Computer Newspaper Title

OW1010021091 Beijing XINHUA in English
0054 GMT 10 Oct 91

[Text] Chongqing, October 10 (XINHUA)—"COMPUTER NEWS", the first computer newspaper for amateurs and ordinary readers in China, started publication recently in Chongqing, the leading industrial center in southwestern China's Sichuan Province.

The newspaper should appeal to workers, students, pupils and especially computer lovers and learners.

Marshal Nie Rongzhen wrote the title for the newspaper.

Military

Columnists on Role of Reserves in Guangdong Parade

'Domestic Exercise'

HK1310073591 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 13 Oct 91 p 13

[BY David Chen; from the "Chen on China" column]

[Text] Two days before the national day of the People's Republic of China, which passed almost uneventfully, something unique took place in the southern provincial capital of Guangzhou.

Several thousand men and women in military tunic marched smartly across the streets of the city in a parade not seen in recent years. They were the reservists, whose status and relationship with other branches of the armed forces has puzzled foreign analysts, and they appeared to be local people and those who have made Guangdong their homes or identified themselves with the southern land.

There were some armoured cars but, with the exception of a few other weapons on display, hardly any exhibition of advanced military equipment.

In fact, it was little more than a domestic exercise, with perhaps the exception of the presence of the deputy chief of general staff, General He Qizhong, from Beijing, and Mr Ye Xuanping, the former Guangdong governor who months earlier had shed his local job to assume the largely ceremonial post of vice-chairman of the Chinese People's Political Consultative Conference. Others present included the commander of the Guangzhou Military Region, Lieutenant-General Zhu Dunfa, and Guangdong's party chief, Mr Xie Fei. The parade was unique in many ways. It was not only rare, if not unprecedented, in Guangzhou, but also appeared purely as a local affair; the regulars had been kept out of the event. There were no similar parades in other major cities. There were a number of parades and exercises a day or two after the national day, on October 1, but they were mostly in cities of Fujian, a province across the Taiwan Strait from Taiwan, and were regarded as being aimed at the nationalists and independence-oriented elements in Taiwan as the Double Tenth approached.

The parade initially alarmed several countries in South-east Asia, who understandably interpreted it to be China's show of force to nations in the region where disputes over the Spratlys have yet to be resolved.

But if the event was meant to be a show of Chinese military might, the composition was certainly wrong: reservists, not regulars, were on parade. And a parade aimed at Southeast Asia would have been contrary to Beijing's policy of "making friends with neighbours".

Analysts noted several incidents in the provincial capital both before and after the parade. In late August, weeks after the abortive coup in the Soviet Union, political commissars in the People's Liberation Army (PLA) gathered in Guangzhou for a national conference on political indoctrination. It was presided by General Yang Baibing, the PLA's top political commissar.

Such a conference would normally have been held in Beijing or another major northern city. It may be recalled that before the Tiananmen Square crackdown, Guangzhou's response to a call of sending troops to the capital was lukewarm if not defiant.

Another interesting point was that General He, as the most senior officer at the September 29 parade, delivered a speech on China's resolve to defend itself against foreign influence and instigation. The speech was published in the PEOPLE'S DAILY [RENMIN RIBAO].

The provincial SOUTHERN DAILY [NANFANG RIBAO] omitted the speech altogether, merely reporting General He's presence, and instead gave full coverage to the parade itself—the message being it was a local show.

Also puzzling was that an article in Hong Kong's TA KUNG PAO extolled the parade. It said only after the people had become affluent could they have a strong military. Guangdong was the first province to practise liberal economic policies and is today the most affluent region in China. It was the first time economic and military strength were spoken of "in one breath".

Analysts warned it would be too rash to reach a conclusion, however tentative. Some noted General He stayed behind in the provincial capital to preside over a conference of militia and reservists from provinces in the region. This could explain the nature and venue of the parade, it was said. But the conference is open to other interpretations and even more speculative assessment.

Whatever the case, the situation, unique in its own way, needs to be examined closely. What happens in Guangzhou could have an impact, beneficial or otherwise, on Hong Kong.

Reserves 'Growing'

HK2610015191 Hong Kong TANGTAI in Chinese
No. 7, 15 Oct 91 p 20

[By Chang Ming (4545 7636): "Behind-the-Scenes Story of Guangzhou Military Parade"]

[Text] The Hong Kong press gave wide publicity to the National Day military parade in Guangzhou, and there were also lots of comments and speculation on it. As a matter of fact, instead of serving as a deterrent, as described by most people in press circles, this military parade indicated another noteworthy development—China's reserve forces are growing. The Guangdong provincial government is also employing all legitimate means to step up the training of local armed forces.

Those taking part in the military parade were not soldiers from field armies or local armies, but militiamen who were described as "indigenous Eighth Route Army soldiers." Although these reserve forces have their own codes and flags, such as the "First Infantry Division of the Chinese People's Liberation Army Reserve Forces," each structure is composed of divisional commanders, political commissars, and ordinary cadres, numbering from 20 to 30. The remaining positions are filled by bureau or sectional chiefs at the prefectural (city) or county level and their personnel are selected from among militiamen (demobilized soldiers) in factories, mines, and enterprises in different parts of Guangdong. In ordinary times they engage in production and spend some time taking part in military training. The soldiers participating in the military parade came from two regiments and battalions in Foshan and Jiangmen.

The reserve forces were formed subsequent to China's 1 million troop reduction in 1985, the purpose being to save the country's financial resources and reduce military expenditures. In principle, there is one infantry division in each province with the original weapons and equipment of the disarmed troops. But local governments are responsible for these reserve forces' military spending. Officers are appointed by provincial governments and their names are submitted to the Central Military Commission for approval.

In this sense, these are completely localized forces at the disposal of provincial governments. Do not belittle these forces. Although these infantry divisions are inferior to mechanized group armies, they can be expanded speedily if need be. In addition, local governments are not in a position to command field armies, but these reserve forces are different because they are funded by local governments. In fact, they act as local garrisons. Therefore, the Guangdong provincial government takes much account and shows particular concern for the reserve forces. Guangdong is the best in the country in work concerning reserve forces. The military parade indicated Guangdong's achievements in this respect.

How good is Guangdong's work on reserve forces? It may even rank first in the world! To form the "First Division of the Army Reserve Forces," the Guangdong provincial government designated a large area of land in Tianhe for this division to cooperate with a company in building a magnificent 20-story mansion, where the divisional headquarters is located and national defense education is conducted. The remaining floors are rented to businesses and travel agencies. On this point alone, other military units and military regions are too inferior to bear comparison. Even ordinary cadres of this division live in flats with three bedrooms, one sitting room, and one dining room, equivalent to regimental standards in other Army units, to say nothing of high-ranking military officers in this division. Regiments and battalions of this division are located in cities, where local officials concurrently assume regimental or battalion posts. Therefore, local governments are active in providing capital and material assistance, in making things

convenient for their soldiers, in setting up trading companies, and in building deluxe hotels. It is imaginable that field armies and other major military regions admire this special treatment very much.

But all this is reasonable and legitimate and corresponds with central instructions. Why has Guangdong invested so much in building its reserve forces? Why has it done so remarkably? Why did it display its prowess at a time it deemed appropriate? We believe our readers understand what is behind all this.

CPC Reportedly Prepares for War Against Taiwan

*HK0510015291 Hong Kong CHENG MING
in Chinese No. 168, 1 Oct 91 pp 16-17*

[By He Shao-ming (6320 1421 2494) and Yueh Shan (1471 1472): "CPC Claims To Be Prepared for War"]

[Text] To those old politicians of the CPC, August 1991 was a sad month, because in that month, the CPSU was "swept onto the rubbish heap of history" (quoted from Mao).

In its nearly 90-year history, the CPSU was mother (giving birth to the CPC), intimate comrade, elder brother, No. 1 enemy, and ally (not yet realized) of the CPC. The CPSU's "death" makes the CPC lose weight in the international political scales. Even Deng Xiaoping, the circumspect and farseeing old politician, is unable to balance between the United States and the Soviet Union.

Lenin's statue was shoved to the ground in his hometown. Leninism, which the CPC is using to cheat the people, has been discarded by the Soviet people. All this is like an ill omen to the CPC, making it uneasy and panic-stricken.

The CPC is showing off its war apparatus by making a series of remarks and slogans on war preparedness and carrying out a series of military exercises. People can smell a strong smell of gunpowder in all this.

Yang Shangkun Says: Be Prepared for Nuclear War

On 2 September, a number of old CPC politicians ended their "rest" at Beidaihe and returned to Beijing by train.

On 3 September, the CPC Central Committee and the Central Military Commission held a two-day enlarged meeting of the Central Military Commission. The meeting was presided over by Military Commission Chairman Jiang Zemin and attended by over 300 people from various arms of the services; various large military regions; and various military academies, schools, and military science research units directly under the commission, including members of the Central Advisory Commission Bo Yibo, Gu Mu, and Yu Qiuli. Yang Shangkun made a speech at the meeting on behalf of the Central Military Commission, which was entitled "The Whole Army Must Fight Two Battles Successfully Under the Leadership of the CPC Central Committee and the Central Military Commission."

Yang Shangkun said: It is necessary to fight the two battles successfully. Both are important battles. The first is the ideological battle, which will ensure that the whole Army is ready to assemble at the first call and be capable of fighting and winning. The key lies in maintaining an absolute ideological unity. The second battle is to get ourselves prepared for a war, a partial or regional war, a modern three-dimensional war, or even a nuclear war.

Declare Unavoidability of War

As great changes have taken place in eastern Europe and the Soviet Union and the Warsaw Pact has disintegrated, East-West confrontation has been obviously eliminated, and Cold War no longer exists. Greater threat of war has come from regional hegemony. This has been proved by the Gulf war. It was Iraq, not the United States or the Soviet Union, which launched the aggressive war. Under such circumstances, the CPC was carrying out war propaganda. Did it just intend to say a few words to threaten the people?

Yang Shangkun also said: By analyzing the situation, we can see that this war will be unavoidable. The imperialists are trying to establish hegemony, practice power politics, and subvert and invade other countries. They are forcing us to make preparations against war. We love peace and are expecting peace, because our main task is to carry out construction. But the overall situation is not controlled and decided by us. We are not consultants to those practicing hegemonism and power politics. But we can advise them: Any country which initiates or provokes a war or imposes a war on us shall be held responsible for the war's disastrous effects. It will inevitably be given a crushing blow on the land of the invaded country.

Advocate Capturing Taiwan by Force

Yang Shangkun repeatedly declared that, "this war is unavoidable" and fabricated an "imperialism" which wants to launch an aggressive war. However, he was unable to identify who the "imperialist" was or to provide facts to prove which country wants to invade China. Judging from the overall pattern of the world, we cannot see why the United States should come to fight in China. As to the Soviet Union, it is even unable to fend for itself, not to mention fighting another country.

However, there is one point that we should not neglect. That is, the Taiwan issue. Yang Shangkun said: We must liberate Taiwan. How do we liberate Taiwan? There are only two ways: First, through peace talks; second, through negotiations after fighting and having a trial of strength. Perhaps, once the war is started, there will no longer be conditioned negotiations, but only the recognition of defeat and surrender. Some of our troops have long been unable to keep calm on this question. This is understandable because the two main tasks of the People's Liberation Army are to defend and build our motherland and to liberate our sacred territory, Taiwan. We cannot tolerate again and again and wait and wait

and wait. We will never allow any practice of "two Chinas," "one China, one Taiwan," or "one country, two governments" with the connivance of certain Western politicians. We have taken note that recently, the Taiwanese authorities have purchased large quantities of advanced military equipment for air, land, and sea from the United States, West Europe, and South Africa. What do they intend to do? Are they not preparing for a war?

"We Will Decide Timetable for Blockading Taiwan"

Yang Shangkun gave a warning on the use of force to settle the Taiwan issue. He said: As to the questions of when we will blockade the Taiwan Strait and when we will use force to settle the issue of returning Taiwan to the motherland, which have been standing for more than 40 years, the initiative is in our hands, and we will decide the timetable. In light of changes in the situation, we will proclaim a blockade of the Taiwan Strait. We still want to give the Taiwan authorities an opportunity and advise them not to carry out any activities inside or outside to split up the motherland. Under the general principle of there being only one China, both sides of the Strait will implement different systems and compete with each other in building up the motherland to bring benefits to the descendants of the Chinese nation and smash the plots and attempts of the imperialists, colonialists, and separatists, who are trying to split China forever.

Yang Shangkun said: If the Taiwan authorities are bent on having their own way and regard our good intentions and wishes as expressions of weakness, they will surely suffer a complete defeat. There is still a possibility for realizing reunification of the motherland within this century. We are also confident in and capable of realizing the task of reunifying the motherland.

When we compare Yang Shangkun's speech with the remarks made by Wang Zhen in Xinjiang on 23 August (carried by TUNG HSIANG in its September issue, p 14), they were almost the same. The only difference is that Wang Zhen mentioned "U.S. imperialism" by name, saying that the second step taken by the United States will be directed against China and that the United States may launch a war against China. Obviously, the "imperialism" mentioned by Yang Shangkun referred to the United States.

Divert People's Attention, Threaten Taiwan With War

Why did the CPC clamor for war and advocate solution of the Taiwan issue by force after the CPSU's downfall? Obviously, it was not shooting at random but had vicious political purposes.

An Army-level cadre made the following analysis: As great changes have taken place in the Soviet Union, the CPC is now in a very unfavorable situation. Therefore, it must spread the following propaganda: The imperialists will try to subvert China's socialist system through various channels, including supporting Li Teng-hui in practicing "one China, one Taiwan" and "one country,

two governments." If the CPC attacks Taiwan, the United States will certainly resort to armed intervention. Under such circumstances, war will be unavoidable.

By creating an atmosphere of war and carrying out propaganda on the imperialists' attempts to subvert and invade socialist countries, the CPC is aiming at cheating the Army and the people and diverting people's attention. It also linked the "subversion by the imperialists" with the democratic movement to threaten the people to give up their democratic movement.

Second, it also wants to use this to threaten Taiwan and its supporters, forcing Taiwan to surrender and throw itself into the embrace of the CPC.

After World War II, two big camps emerged in this world. Through the trial of strength over the past 50 years or so, capitalism has been constantly improved while socialism has fallen to pieces. The CPSU, backed by super military forces, was unable to resist the tide of democratic revolution. Is the CPC strong enough to resist it?

First Combined Tactics Training Center Profiled

HK0710070991 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 39, 30 Sep 91 pp 19-20

[By Jia Yong (6328 3057) and Ding Guangyang (0002 1639 7122): "First Combined Tactics Training Center of China's Armed Forces"]

[Text] Arriving at a combined tactics training center, a modern training ground, the first of its kind of China's Armed Forces, deep in a green hilly area in midsummer, these reporters felt after what they witnessed that the combat effectiveness of China's Armed Forces in modern combined tactics is improving with each passing day.

Modern Training Center

The combined tactics training center is an exercise ground for live ammunition military exercises, and is also called a quasi-battleground. Today, countries in all parts of the world set great store by the building, development and employment of training centers in this category.

In the combined tactics training center, located in eastern Anhui, lay a network of trenches, with exposed and hidden strongholds scattered here and there, endless barbed wire entanglements, and clusters of mines spread all over the forefront of the battleground. In the air, groups of aircraft of nine categories pierced the clouds, while rockets, bombers, fighters, and reconnaissance planes formed into groups in turn to implement such tactical operations as attack, mine-laying, and reconnaissance. On the ground, a variety of laser weapons emitted dazzling beams, forming a brilliant protective screen in a crisscross of firepower. Toxic-air cleansing, chemical weapons combat, the thunder of tanks and roar of artillery...in addition to confronting mock enemy troops in this "war zone" who were "stubbornly crafty, cruel, rapid,

violent in action and changeable in tactics, with extraordinarily strong offensive power"—all this formed a live simulated battleground system. "Combat" taking place here is almost the real thing, except that "those being hit will not die or be wounded." For example, when a soldier was hit by a laser in his head or brain, his helmet would emit smoke standing for "death" through the laser device he carried, while the laser weapon in his hands would automatically stop functioning with his being deprived of his combat effectiveness. A tridimensional monitoring system consisting of fixed and mobile videorecording devices displayed everything on the battleground on the big screen of the general control room. The commander would dispatch his troops based on a pool of all kinds of signals to implement the operational plan. At the same time, assessment personnel were provided with a perfect picture of the situation on the battleground according to various computer-displayed figures, including weapons damage, deaths and casualties, the troops' positions and the progress of the operation. We came to the headquarters, which was called the "heart of the center"—a typical hybrid of Chinese and Western architecture. Here we found an electric sand table, a condensed simulation of the entire exercise ground, a data bank in which is collected the establishments of various foreign armies and their equipment and tactical principles; a tactical operations room for various service arms; a laser simulated war room, a microcomputer room in which various information and signals are stored, videodisplay rooms of all sizes, and the confrontation room of the "Blue Army" and the "Red Army" and offices for the commanders of both sides. It was a group of seasoned training experts and college graduates and postgraduates armed with contemporary thinking and information that made possible the operation in this building with the help of electronics, lasers, and automation.

Liu Huaqing, vice chairman of the Central Military Commission, and Chi Haotian, chief of the General Staff, expressed their satisfaction with the building of the center while inspecting it last April.

Effects of Mock Enemy Troops

Green berets, camouflage uniforms, and insignia embodying attack and encirclement—such were the symbols of the "Blue Army," the mock enemy troops who fought against the "Red Army" at the training center.

As the first mock enemy regular army in China, it has closely followed all changes, even the most minute, of various imaginary enemies; they fight in accordance with foreign tactical principles and operational formations, with such code names as "African Leopard," "Black Lion," and "Hound." Thus a series of exercises is conducted here in all weather, in scorching heat and severe cold, in storm or snow, with every possible opportunity to temper the will and the body. All kinds of difficulties and hardships involved in survival in the

field, split-second response, bitter fighting when cut off behind enemy lines...Through such extraordinarily strict and difficult training, soldiers who come to this mock enemy army, weak and delicate as they might be at first, invariably become valiant and strong, just as in the words of a song they love to sing: "Quick as lightning, swift as wind, secretly we come and go like ghosts..."

Time and again, they act as imaginary enemy troops in live-ammunition military exercises, confronting the powerful "Red Army" amid the green hilly woods and simulated battlegrounds shrouded with gunsmoke. With their seasoned wisdom and rapid and violent attacks, they force the "Red Army" to discover the gap between their performances when the latter suffers setbacks and to brace up after being cornered, while improving their capability for adapting to change and combat effectiveness.

"If the mock enemy forces are like straw men, the exercise can only be a wishful victory. Should such a happy-ending atmosphere shroud our exercise, we would lose the hard-to-get peacetime opportunity to do all we can to catch up," said Cui Wujun with feeling before the sand table. In camouflage uniform, he was the enemy army section chief, and had on several occasions been commander-in-chief of the "Blue Army." The mock enemy forces under his command had time and again cornered the "Red Army" in confrontation. In his eyes, the troops' qualities depend on those of the imaginary enemy. Only by bringing up imaginary enemy forces who have perfect combat effectiveness will it be possible to temper our own troops to have perfect combat effectiveness. When a "Red Army" unit that has suffered setbacks rallies its forces while undergoing self-imposed hardships so as to strengthen its resolve to wipe out the humiliation and eventually masters the skills to overcome the "Blue Army," Cui Wujun is very happy about it, for that is precisely what he expects.

The training center, located in a remote part of the province, has collected first-rate training equipment and gathered excellent training talents through five years of building. Within a short span, two of their results in scientific research were awarded national prizes. Quan Qiming, a shooting target operator, has trained some 100 excellent target operators for the Chinese Army. To those in the training center, the greatest satisfaction as a Chinese soldier is to contribute one's intelligence and wisdom with ease of mind to the live ammunition military exercises of the Chinese Army.

However, Zhang Lianxiao, director of the training center, who has been deputy director of two military areas, does not rest satisfied with the accomplishments, and he is contemplating how to simultaneously give play to the advantages of talents, terrain, and equipment of the training center....

Peaceful Use of Military Technology Considered

OW2510165991 Beijing XINHUA in English
1239 GMT 25 Oct 91

[Text] Beijing, October 25 (XINHUA)—An international conference on cooperation in the peaceful use of military industrial technology ended here today.

During the four-day meeting, most participants agreed that military-civilian conversion is not limited to one or a few countries. It has a big impact on economic and technological development in the world in addition to an evident effect on world peace.

Jin Zhude, president of the China Association for the Peaceful Use of Military Industrial Technologies, said that the conversion has brought benefits to the Chinese people.

"In 1979, the value of the civilian production of China's national defense industry only accounted for 8.1 percent of the total value of both military and civilian production. But in 1991, this proportion increased to more than 65 percent," he said.

China's military industries now produce nearly 10,000 varieties of civilian goods ranging from daily necessities to capital goods, especially those products needed in the energy, communication and transportation sectors, according to the Chinese official.

Yu. Lazintsev, an official from the State Committee of the USSR for Science and Technology, said that bodies of the defense complex possess high scientific and technological potential. In 1991, 45 percent of the scientific potential of the whole defense complex in the Soviet Union will be used in the interests of national economy against 28 percent in 1988, he said.

Military expenditures of the USSR in 1990-1991 were reduced by 14 percent, according to the Soviet official. Expenditures on military research and development are considerably reduced and the volume of expenditures for the development of civilian products grew.

Today, the world is spending some 850 billion dollars for military purposes, said Thomas F. Faught, former assistant chief of the U.S. Navy Department. "If we assume that only a portion of this amount, let us say 10 to 15 percent, goes to economic development, then mankind can enjoy enormous advances," he said.

The United States currently spends over 280 billion dollars annually for defense purposes, Faught said. He suggested a redirection of 10 percent of this for the improvement of the standard of living of all people, strengthening education, health care, housing, environment, food productivity, energy and water conservation.

Central Committee Departments Laud Model Soldier

*OW1110143191 Beijing XINHUA Domestic Service
in Chinese 0919 GMT 9 Oct 91*

[By reporter Guo Diancheng (6753 3013 2052)]

[Text] Beijing, 9 October (XINHUA)—The deeds of Zhang Peiying, an outstanding Communist, have had a major impact on soldiers and civilians throughout the country. To further deepen the movement to learn from Zhang Peiying, the Organization and Propaganda Departments of the CPC Central Committee and General Political Department of the Liberation Army held a meeting at the Great Hall of the People this morning to report on Zhang Peiying's deeds.

Leading comrades, scientific researchers, and staff members and workers of the Military Academy of Medical Sciences, and responsible persons of the Youth Center on Beijing's Wanshou Road separately introduced Zhang Peiying's deeds at the meeting. Government organ cadres, workers, after-school political instructors, and Liberation Army soldiers were deeply moved by Zhang Peiying's noble revolutionary spirit. Warm applause sounded repeatedly at the meeting.

Zhang Peiying, who was a disabled soldier, first class, was an assistant research fellow at the Military Academy of Medical Sciences. Since she was disabled by burns in an accident that occurred in 1960 while executing her public duty, she has refused government assistance. Despite the job's low wages, she took the initiative to apply to become a youth's after-school political and ideological instructor in order to devote her energy to after-school education. She was conferred such honorary titles as National "8 March" Red Standard Bearer, National Advanced Youth Worker, National and All-Army Outstanding Political and Ideological Instructor for Young Pioneers, and National Model to Improve Oneself. She also received a national elite title of being a person making contributions even at old age. She died of sudden brain hemorrhage on 29 June 1991.

Speaking at the meeting, Liu Zhongde, deputy director of the Propaganda Department, praised Zhang Peiying as a worthy outstanding Chinese Communist, an outstanding representative of intellectuals, and a model to learn from by the whole party and people of the whole country. He said: In the process of attaining the grand objective of socialist modernization, we need tens of thousands of outstanding elements like Zhang Peiying. The Organization and Propaganda Departments of the CPC Central Committee, the General Political Department of the Liberation Army, and other eight units have recently issued a joint circular on learning from Zhang Peiying. The comrades of relevant departments and social organizations and of various trades and professions should make learning from Zhang Peiying an important activity for strengthening the building of a socialist spiritual civilization, integrate learning from Zhang Peiying with learning from other heroic models

such as Lei Feng and Jiao Yulu, and make more contributions while working at their posts. Our propaganda and media departments should employ various means to publicize Zhang Peiying's advanced deeds and noble spirit so that his revolutionary spirit can be carried forward and spread among the masses of communists, people, military cadres, and soldiers.

Responsible persons of the Organizational and Propaganda Departments of the CPC Central Committee, the General Political and Logistic Departments of the Liberation Army, and the China Federation of Disabled People attended the meeting.

Yang Baibing Hails Nanjing Anti-Flood Effort

*OW1510051291 Beijing XINHUA Domestic Service
in Chinese 1115 GMT 14 Oct 91*

[By reporter Jie Yanzhen (2263 5888 3791)]

[Text] Nanjing, 14 Oct (XINHUA)—Addressing a rally of the Nanjing Military Region to commend those who have distinguished themselves in fighting the recent deluge, Yang Baibing, secretary general of the Central Military Commission [CMC] and director of the General Political Department of the Chinese People's Liberation Army [PLA], pointed out today that the triumph over the devastating flood this year was a great victory won by soldiers and civilians who worked together in fighting the natural disaster.

At the request of CMC Chairman Jiang Zemin and Vice Chairmen Yang Shangkun and Liu Huaqing, Yang Baibing made a special trip to Nanjing to attend the rally. In his speech, he praised the outstanding successes which the Nanjing Military Region achieved in fighting the deluge and helping flood victims. He said: At the critical time when state property and people's lives and safety were seriously threatened, the party committee and soldiers of the Nanjing Military Region firmly followed the order of the Central Committee, the State Council, and the CMC to fight the flood. Within a very short time, more than 100,000 soldiers of the region were mobilized to join the masses to fight the deluge and accomplish such major missions as safeguarding the Tianjin-Pukou Railway, protecting cities by Lake Taihu, battling the flooding along the Huai He, rescuing flood victims in Anhui and Jiangsu, blocking breaches in Yangzhou, removing debris obscuring floodwater discharge, and taking part in postflood reconstruction. Tempered by the challenges, a large number of heroes and exemplary units—represented by Zhou Liping and Zhang Yongbao, the no. 2 battalion of a pontoon bridge regiment, the special task company of a pontoon bridge brigade, the no. 3 130-mm missile [yi san ling huo jian 0001 0005 7190 3499 4628] and artillery company of an artillery brigade—have come to the fore and won glory for the PLA.

Yang Baibing said: The great victory won in fighting the deluge fully testifies the strong leadership of our party and the incomparable superiority of the socialist system.

It has once again proved that our party has close flesh-and-blood ties with the masses and it has strong fighting power, that our socialist system is vital, and that nothing—not even stronger storms and greater problems—can shake our determination and conviction in adhering to the socialist course or obstruct our progress in carrying out reforms and opening to the outside world.

He said: The great victory won in fighting the deluge fully reflects the people's troops' noble qualities—they place the people's interests above everything else, they are utterly loyal to the party and socialism, and they ardently love the motherland and the people. Thus, they have demonstrated that they measure up politically, they are tough at critical times, and the party and the people can trust them fully.

Yang Baibing pointed out: The great victory won in fighting the deluge also fully demonstrates the great power of military-government and soldier-people unity. As a result of the antiflood struggle, soldiers and people have become more aware of the truth that "without the People's Armed Forces, the people would have nothing," and that "the people are the Armed Forces' support for winning battles." The masses in the stricken areas said that they felt safe when they saw the PLA. The vast number of officers and men also learned from experiences that they can surmount any difficulties so long as they count on the people's support. The rock-firm military-government and soldier-civilian unity under CPC leadership will forever serve as an important guarantee for ensuring victory over all difficulties and maintaining stability in our country. By depending on this enormous political strength, we can withstand pressure, be firm as Mount Taishan, and always come out invincible in battling all types of natural and social storms.

Yang Baibing stressed: The recent fight against the flood and revolutionary struggles during the past several decades fully prove that our Armed Forces are always People's Armed Forces under the party's absolute leadership, and that they will always be people's soldiers siding closely with the people and serving them wholeheartedly. They also prove that the People's Armed Forces will always be the Great Wall of steel safeguarding our motherland's security, the strong pillar defending the socialist system and the people's democratic dictatorship, and the important force in socialist material and spiritual building.

Yang Baibing urged the Nanjing Military Region to apply the revolutionary spirit and valuable experiences displayed and gained in the antiflood struggle in the armed forces in order to build even stronger and more militant armed forces.

During the rally, Zhou Wenyuan, deputy director of the PLA General Political Department, read the CMC order of honoring Zhou Liping as a "Model Flood Fighter." Leading comrades of the Nanjing Military Region, the State Flood Prevention Headquarters, and Jiangsu and Anhui Provinces

also addressed the rally at which 33 advanced units and 17 individuals were commended.

Lu Rongjing at Anhui Armed Forces Conference

OW1210133891 Hefei Anhui People's Radio Network
in Mandarin 1100 GMT 10 Oct 91

[Text] The three-day provincial work conference on the Armed Forces successfully concluded in Hefei yesterday. The conference asked party committees and governments at all levels to exercise greater leadership over the strengthening of People's Armed Police force under the new conditions, strive to push this work to a new level, and dedicate themselves to developing and revitalizing Anhui's economy.

Attending the conference were Lieutenant General Pei Jiuzhou, deputy political commissar of Nanjing Military Region, and Lu Rongjing, Fu Xishou, Meng Fulin, Zhao Baoxing, Shi Lei, (?Shao Ming), Du Hongben, Zhao Huaishou, Shen Shanwen, He Yanran, Ding Bingsheng, Zhang Honggui, and other leaders of the provincial party committee, government, and military district. Persons in charge of relevant units of the General Staff Department and headquarters and Political Department of Nanjing Military Region also attended the conference.

Shi Lei presided over the conference. Meng Fulin read a general order of the provincial party committee, government, and military district on commending People's Armed Police forces in Linquan and five other counties as units of pacesetters strengthening People's Armed Police forces and on conferring the honorable title of outstanding senior officers of the People's Armed Police force on (Sun Hanjue) and other three senior officers.

Shen Shanwen read a circular of the provincial military district party committee on commending (Lu Ziqui) and other three persons as good party committee secretaries who showed concern to Armed Forces work and (Qu Wenhe) and other 13 persons as outstanding senior officers of People's Armed Police forces. Leaders of the provincial party committee, government, and military presented inscribed boards and honorable certificates to advanced units and individuals being awarded.

Lieutenant General Pei Jiuzhou spoke at the conference. He spoke highly of the remarkable achievements accomplished in Anhui's Armed Forces work, under the correct leadership of the provincial party committee, government, and military district, since the organizational system of People's Armed Forces was put in charge of the local authorities. It is especially noteworthy that the large number of People's Armed Police cadres and militiamen have made noticeable contributions to safeguarding the lives and property of the people and socialism in the catastrophic flood this year. In his speech, Pei set demands for strengthening People's Armed Police and reinforcing reserve forces.

Lu Rongjing, secretary of the provincial party committee and first secretary of the provincial military district party

committee, addressed the conference. He said: We must attach importance to strengthening People's Armed Police forces under the new conditions. We should be fully aware that whatever happens in this world, we shall fear nothing as long as we have successfully developed the economy and strengthened national defense. Armed struggles are one of the magic weapons for the success of China's revolution. No matter how modern warfare may develop, the idea of people's war, a magic weapon that may conquer the enemy, shall not be discarded; our perseverance in upholding the traditional militia system shall not waver; and our efforts to strengthen reserve forces shall not be slackened. Party secretaries at various levels must remain sober-minded, have a full understanding of the significant importance of strengthening People's Armed Police forces and comprehensive national strength under the new conditions, intensify their defense consciousness, and be determined to do a good job in strengthening People's Armed Police forces.

Lu Rongjing stressed: Four tasks should be handled well in exercising greater leadership over People's Armed Police forces in the future. We should integrate economic work with Armed Forces work, integrate the principle that the party takes charge of the Armed Forces with the work of arousing all sectors to make concerted efforts to strengthen the Armed Forces, coordinate the administration and use of the Armed Forces; and link the effort of arousing senior officers' initiative with that of improving external environment.

Lu Rongjing finally said: It is a fine tradition of the party to put the Armed Forces under the authority of the party. Being first secretaries, they should learn and study the military work well and conscientiously perform their duties. They should actively take part in important policy-making of party committees of People's Armed Police forces, work in military organs regularly, personally take care of, study, and solve significant problems in Armed Forces work. People's Armed Police forces should conscientiously subject themselves to the leadership of both local party committees and governments and military organs at higher levels. While training the reserve militia, they should organize and mobilize militiamen to take the lead in conducting the campaign of two civilizations and make greater contributions to achieving the party's strategic objectives in new era.

A representative from the General Staff Department also spoke at the conference. Commander Shen Shanwen transmitted the All-Army Regulations on Militia Work during the conference. Deputies of advanced units and individuals in militia work briefed the conference on their experiences. After this conference is closed, a work conference of the provincial military district will be held to make concrete arrangements for the reserve militia work in the coming winter and next spring.

Economic & Agricultural

Coastal Areas Said Seeking Greater Autonomy

HK2910010091 Hong Kong SOUTH CHINA
MORNING POST in English 29 Oct 91 p 14

[By Willy Wo-lap Lam]

[Text] Leaders of coastal cities and provinces are poised to fight for more autonomy at a crucial meeting scheduled for

early next month to determine power sharing between Beijing and the localities.

Sources say that the National Planning Conference, whose participants include central and regional leaders, will discuss issues including tax revenues, central-government investment in the provinces and the degree of financial autonomy to be enjoyed by local administrations.

Regional cadres, especially those along the southeast coast, want to resist pressure from Beijing to collect more taxes and other contributions.

They are also keen to postpone the controversial "dual tax system" which clearly separates the kinds of taxes that Beijing and local administrations are entitled to collect.

"The last planning conference, held in September 1990, broke down in impasse with Guangdong taking the lead in boycotting the recentralisation in finances," a source said.

"This time, the arguments will flare up anew. Moreover, cities like Shanghai are fighting for more say over how to dispose of money granted them by Beijing."

Western analysts say that in their efforts to lobby for more power, coastal leaders are taking advantage of the decision by patriarch Mr Deng Xiaoping to take reform policies a step further.

In recent visits to the coastal areas of Guangdong, Shanghai, Hainan and Zhejiang, top leaders including Premier Mr Li Peng have promised localities more leeway in implementing methods to attract foreign capital and invigorate enterprises.

For example, Guangdong has been authorised to start more economic and technological development zones provided the province can come up with its own financing.

A major concern of State Council bureaucrats at the planning conference is to reconcile the needs to further expand the open door policy and to shrink the budget deficit.

Government economists have indicated the deficit this year will be way beyond the projected 12.3 billion yuan (HK\$17.73 billion [Hong Kong dollars]) and that state subsidies will exceed the 110 billion yuan for 1990.

The conclusions of the planning conference as well as the national work meeting on state enterprises held in late September will be ratified at the eighth plenary session of the Communist Party Central Committee.

Sources say the eighth plenum, originally set for October and later delayed until November, has not been further put off until December.

Meanwhile, in a commentary yesterday, the PEOPLE'S DAILY [RENMIN RIBAO] has warned departments and enterprises not to roll back the decisions on enterprise reform reached at the National Work Meeting.

"Do not waste precious time over questions whose conclusions have already been reached," the party mouthpiece said.

"We need to create an atmosphere for bold creativity and daring work. Our work will come to nought if we merely engage in futile arguments or just stick to old rules".

Analysts say the newspaper is aiming at central planners who refuse to heed recommendations to turn state enterprises into relatively autonomous units that work according to market requirements.

In another article in the newspaper, economist Mr Yuan Baohua called for a thorough "separation between government and business" as the key to reviving state enterprises.

Move Begun To Revitalize State Enterprises

OW2910091991 Beijing XINHUA in English
0834 GMT 29 OCT 91

[Text] Beijing, October 29 (XINHUA)—Some large and medium-sized state enterprises in China have started to lead the way to reform as China steps up its efforts to invigorate its state enterprises, which are seen as the backbone of the country's economy.

At present, state enterprises in many provinces and cities have begun to carry out pilot restructuring of their managerial systems with full support from the local governments.

In Shanghai, the country's largest industrial metropolis, the municipal government has endowed a number of large state-owned companies with independent decision-making rights over internal affairs.

Now the firms can decide on issues concerning production planning, marketing, accounting, capital construction, technological upgrading, tax payment, employment, distribution and exports.

The city government of Beijing, capital of the country, has decided to implement 15 policies to activate its major state-owned enterprises.

According to the newly stipulated policies, the city will close down some bankrupt state firms or allow them to be merged with other enterprises, while other state enterprises will try to revitalize themselves with new reform methods, including share-holding systems and introduction of overseas funds, technologies and managerial methods.

Over 100 large and intermediate-sized state firms in Tianjin, the third-largest metropolis in the country, have

initiated experimental reforms which focus on changes in the managerial mechanism since July.

Their efforts have paid off; in January-August period, the city saw a 3.8 percent rise in taxes and profits achieved by large and medium state firms.

Eastern China's Zhejiang Province has recently announced the introduction of reforms in employment and distribution in 12 large and medium-sized state enterprises.

In the past few months, the province has tried to improve the environment for state firms to play a better role by implementing a series of new preferential policies.

Now a majority of government officials and entrepreneurs in the country have reached a common understanding that state enterprises can not be revitalized unless a mechanism to encourage efficiency is set up in those firms.

People say that the so-called "iron rice bowl"—a euphemism for absolute egalitarianism—must be broken.

Shanghai Mayor Huang Ju recently called in the latest issue of "OUTLOOK" [LIAOWANG] magazine for reform of enterprises to make them independent, competitive commodity producers by making them responsible for their own losses and development.

The mayor pointed out that a stable, transparent financial relationship between government and enterprises should be underpinned by laws.

Shanghai Industrial Enterprises Improve Returns

HK2410130391 Beijing RENMIN RIBAO
in Chinese 16 Oct 91 p 1

[By Zhong Tiehua (6988 6993 5478) and Liu Shian (0491 1102 1344): "Shanghai's Industrial Enterprises Improve Economic Returns"]

[Text] Shanghai, 15 Oct (RENMIN RIBAO)—Shanghai Municipality's industrial system has overcome difficulties, penetrated its internal management potential, and made new progress. From January to September this year, it produced a total industrial output value of 144.798 billion yuan, a 12.7 percent increase over the same period last year. Up to the end of August, budgetary enterprises owned by the whole people produced an amount of 6.054 billion yuan of profit and taxes, a 0.7 percent increase over the same period of last year. The situation of negative growth began to change.

Since this year, Shanghai Municipality has convened two work meetings on industrial enterprises and suggested that the goal of struggle for this year is to prevent returns from decreasing, to implement the "seven measures" for properly running the enterprises, and to arouse enterprises' enthusiasm for production and operation, thus enabling them to develop in the direction of quality,

variety, and efficiency. Enterprises of various economic sectors thoroughly increased their productions, and a growth trend appeared in various trades.

Quality management has been thoroughly strengthened, and the general level of product quality continually improved. From January to August, the steady improvement rate for major industrial products was 92 percent, an increase of 9 percentage points over the same period last year, while the rate of output value of quality products among some major enterprises surpassed 50 percent.

Enterprises have generally enhanced the sense of leadership in developing products; they insisted on batch production of popular products, improving quality of products that have a ready market, developing products to compete for market, and changing direction for over-supplied products. In the first eight months, the Second Light Industry Bureau's 53 products for priority development produced an output value of 3.34 billion yuan, a 19.8 percent increase over the same period last year. Up to the end of August, the Textile Bureau's new products turned out an output value of 760 million yuan, and the bureau adjusted 18.7 percent of its products. According to information, Shanghai will ensure that 12,000 new products will be developed this year, a 10 percent increase over last year.

Under the preferential macroeconomic policy, large and medium-sized enterprises have gradually developed their economic strength and comprehensive strong points. In September, Shanghai produced a total industrial output value of 17.299 billion yuan, among which 10.462 billion yuan were produced by large and medium enterprises. From January to September, large and medium-sized enterprises produced a total output value of 87.293 billion yuan, accounting for more than 60 percent of the total industrial output value in Shanghai.

Li Peng Writes Letter To Shaanxi Conference

HK2610032091 Xian Shaanxi People's Radio
Network in Mandarin 0030 GMT 17 Oct 91

[Text] The national conference on exchanging poor mountainous area economic development experiences was convened in our province's Baihe County yesterday.

Chen Junsheng, state councillor and leader of the State Council Leading Group for Poor Area Economic Development; Yang Zong, deputy leader and office director of the State Council Leading Group for Poor Area Economic Development; Bai Qingcai, governor of Shaanxi Province; Wang Shuangxi, vice governor of Shaanxi Province; Zhou Wenzhi, vice minister of water resources; and Xu Linfeng, director of the National Training Center for Poor Mountainous Area Cadres, attended the opening ceremony.

Comrade Yang Zong presided over the opening ceremony. He first read out a congratulatory letter sent by Premier Li Peng to the conference.

Premier Li Peng's letter read: During the Seventh Five-Year Plan period, thanks to the concerted efforts of the whole party, the governments at all levels, and the people of all nationalities across the country, our country's work of assisting and developing poor areas scored remarkable successes. Since the Eighth Five-Year Plan period is a crucial period for our country's economic and social development, our work of assisting and developing poor areas will also enter a new stage. We are now confronted with glorious and arduous tasks. Our work of assisting and developing poor areas is at once an economic and political task. It has an important bearing on the existing links between the party and people's government on the one hand and the broad masses of people on the other, on a harmonious economic and social development, and on our nationality solidarity and social stability. Thus, all of us should strengthen determination and confidence in successfully carrying out this great cause. The work of assisting and developing poor mountainous areas is fraught with numerous difficulties and faces heavy tasks, but has great potential and promises bright prospects as well. In their great practice aimed at transforming mountains and rivers, the broad masses of cadres and people in various poor mountainous areas have adhered to self-reliance and hard work and have already explored a lot of good experiences. I hope that these experiences will be fully exchanged and summed up and that conscientious efforts will be made to popularize these experiences. Since conditions vary from one area to another, we must proceed from local conditions, suit measures to local conditions, work out sound plans, strengthen leadership, meticulously organize work, effectively grasp implementation, and push ahead with the work in a creative manner.

Premier Li Peng's congratulatory letter went on: The party and government have always shown great concern for the development and construction of various poor mountainous areas and for the work aimed at helping the people in various poor mountainous areas shake off their poverty and achieve prosperity. I believe that after several years of unremitting efforts and hard work, various poor mountainous areas will certainly be able to replace their old look with a new one and the broad masses of people in those areas will surely be able to free themselves from poverty and join the people in other parts of the country in embarking on a broad road leading to prosperity.

Comrade Chen Junsheng delivered a speech entitled: Adhere to Farmland Capital Construction as the Center, Successfully Promote Economic Development in Poor Mountainous Areas.

Chen Junsheng pointed out: The only way out for various poor mountainous areas to steadily resolve the problem of feeding and clothing their people lies in successful farmland capital construction. He said: During the Seventh Five-Year Plan period, our nationwide work of assisting poor areas scored marked successes. The problem of feeding and clothing the vast majority of the people in various poor areas has now

been basically solved. The State Council goals set out for assisting and developing various poor areas were successfully attained. Nevertheless, we should understand that we are now confronted with an extremely arduous task in furthering our work of assisting various poor areas in the Eighth Five-Year Plan period. The outstanding problems demanding prompt solution are: a low standard for work of feeding and clothing people, unstable and unbalanced work progress, and a high poverty resumption rate. Under such circumstances, our work of assisting and developing various poor areas in the Eighth Five-Year Plan period should be geared to bringing about the following two types of stability on the basis of our work in the Seventh Five-Year Plan period: 1) To step up farmland capital construction and raise grain output so as to solve the problem of feeding and clothing people on a stable basis; 2) To develop diversified economy and carry out resource exploitation with a view to ensuring poor households a stable income. Besides, our work of assisting poor areas should be extended to remote, poor, high, and frigid mountainous areas, the poorest, most backward, and remotest areas, as well as the ethnic minority areas. In order to attain these goals, we must do a lot of work. At present and in the immediate future, we must lay special emphasis on adhering to farmland capital construction as the center and on improving production conditions with a view to ensuring good yields despite drought and excessive rain and ensuring both stable and high yields.

Leaders at all levels must fully comprehend the importance of farmland capital construction, place farmland capital construction work high on their agendas, take the work as a long-term compulsory task, and carry out the work for a long time to come. The key to strengthening leadership lies in assigning this compulsory task to leaders at all levels, rewarding those who excel in fulfilling this task, disciplining those who fail to fulfill this task, and encouraging cadres to bravely fight hard battles and make contributions.

Chen Junsheng pointed out: It is necessary to give full play to the role of science and technology in farmland capital construction, work out scientific plans, formulate and implement a series of scientific management measures, attach importance to application of scientific and technological achievements, and give full scope to the role of scientific and technological personnel.

Governor Bai Qingcai also delivered a speech yesterday, in which he reported our provincial work of assisting poor areas in the Seventh Five-Year Plan period and our provincial tasks and goals for assisting poor areas in the Eighth Five-Year Plan period.

The conference was called by the State Council Leading Group for Poor Area Economic Development.

Tian Jiyun Inspects Guangdong 15-20 Oct

HK2610034091 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 21 Oct

[Text] After carrying out an on-the-spot inspection in a new economic development zone in our province recently, Vice Premier Tian Jiyun pointed out: It is correct for economic development zones to raise funds by relying on themselves through various forms to speed up the pace of development and construction.

On 15-20 October, Vice Premier Tian Jiyun inspected (Jiku) Economic Development Zone in Zhuhai, (Nansha) Industrial Development Zone in Guangzhou, and (Gaoxiong) Technical Development Zone in Zhongshan, as well as some development and construction projects.

He praised some measures taken by various localities in light of their local conditions to extensively raise funds from nongovernmental sectors with an aim of speeding up construction in development zones, and attracting businessmen at home and abroad to make investments and run enterprises. Vice Premier Tian Jiyun also inspected (Gaojing) Technical Development Zone in Zhongshan, which was jointly established by the State Commission of Science and Technology, Guangdong, and Zhongshan.

During his inspection tour, Vice Premier Tian Jiyun also visited the 70th Chinese Export Commodity Fair and other sites. Those who accompanied Vice Premier Tian Jiyun in his tour included Wang Shuming, deputy secretary general of the State Council; Zhao Weichen, deputy director of the State Production Committee; Guo Rongchang, Guangdong provincial party deputy secretary; and Ling Botang, vice governor of Guangdong.

Chen Junsheng Inspects Hebei's Zunhua County

OW2410134091 Beijing XINHUA Domestic Service in Chinese 0329 GMT 24 Oct 91

[By correspondents Cao Helong (2580 6320 7893) and Zhang Ruizeng (1728 3843 1073): "Zunhua County Develops and Makes Use of Its Limestone Hilly Areas"—XINHUA headline]

[Text] Shijiazhuang, 24 Oct (XINHUA)—By promoting the spirit of the Foolish Old Man practiced in Shashiyu valley, where great efforts have been made to transform rocky land into farmlands that are presently highly productive, cadres and peasants of Hebei's Zunhua County have striven to develop and make use of its limestone hilly areas and have attained remarkable results. After inspecting the county's development project of the limestone hilly areas, State Councillor Chen Junsheng; Minister of Forestry Gao Dezhan; and Xing Chongzhi, secretary of the Hebei Provincial Party Committee; spoke highly of it.

An area of limestone hilly land covering a total of 810,000 mu is spread around the mountain area to the south of Zunhua County, which is situated at the foot of

the Great Wall. The world-famous Shashi village is located in the limestone hilly land. Some 90,000 mu of limestone hilly land and resources in this region are yet to be developed. In September 1990, the Zunhua County party committee and government formulated a general development program aimed at "development of planting, orchards, animal husbandry, agricultural product-processing, and mining industries by mainly opening up barren hills and slopes and wasteland and by mainly transforming low-yielding land, forest, and orchards." They decided to develop the limestone hilly land into an ecological agricultural area generating positive effects within three to five years.

Zunhua County has included the project on developing and making use of the limestone hilly areas in an objective-based responsibility system involving cadres at various levels. It has distributed the duties for development to the relevant townships and towns, delegating responsibilities to cadres and individuals. A mechanism for development inputs has been established whereby the state's inputs are used as a booster in the beginning, the collectives' investments would be supplementary, and individuals' inputs would be the main form. Since October 1990, the whole county sent out 13,000 daily laborers and more than 1,100 vehicles of various kinds to excavate the hills and reclaim the land. Within a year, the county has built 8,500 mu of high-standard ridged and gullied fields and terraces, planted 160,000 fruit trees, afforested 320,000 trees, drilled 16 wells deep into the rocks, constructed 24,000 meters of canals, and constructed more than 90 km of roads.

Hunan Secretary Briefs NPC Vice Chairman

HK2510035091 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 19 Oct 91

[Text] Fei Xiaotong, vice chairman of the National People's Congress [NPC] Standing Committee, listened to reports on Hunan's economic situation yesterday [19 October].

Leaders of the provincial party committee, provincial people's congress, and provincial government Xiong Qingquan, Huang Daoqi, Chen Xinmin, Wu Yunchang, and (Chu Bo) briefed our revered Comrade Fei on Hunan's economic construction during the Seventh Five-Year Plan, and also on the tentative ideas on Hunan's economic development during the Eighth Five-Year Plan.

During the Eighth Five-Year Plan and the coming decade, Hunan will adopt a strategy of structure and efficiency:

1. Efforts will be concentrated on technological transformation. For the coming five consecutive years starting this year, provincial financial departments will devote 50 million yuan every year to technological transformation input.

2. Vigorous strides will be taken to enliven state-run enterprises and large and medium-sized enterprises. A number of large and medium-sized enterprises, which have a bearing on the overall situation, will be selected as experimental units for the contracted input-output system. State-run enterprises at the county level should introduce the operational mechanism of township and town enterprises; state-run commercial sectors should carry out four relaxations (si fang kai); and supply and marketing cooperatives should be turned into ones run by the local people.

3. It is necessary to promote commodity agriculture in accordance with market demands.

4. The building of basic facilities should be further strengthened.

Our revered Comrade Fei spoke favorably of what Hunan had done. He also put forward some new ideas on how to further activate Hunan's economy and develop the economy of the (Wuling) mountain areas.

Sichuan Secretary on Household Contract System

HK1610153791 Hong Kong CHING CHI TAO PAO
in Chinese No. 40, 7 Oct 91 p 9

["China Economic News": "Yang Rudai Stresses It Is Necessary To Stabilize Contract Responsibility System on Household Basis With Remuneration Linked to Output"]

[Text] Yang Rudai, member of the CPC Central Political Bureau and secretary of the Sichuan Provincial CPC Committee, recently talked about rural policy and stressed that the current household output contract system must be stabilized and improved. He said: At present, the most common problem in the implementation of the current rural policy is that lopsided stress is laid on scale operation, "shifting contracted items to the collectives," and "large-scale agriculture." What peasants most fear is still a change in the policy.

Yang Rudai said: While we talk about scale operation, we must make concrete analysis of specific conditions, and should not rigidly copy the same practice. Scale operation on farmland is conditional. In Sichuan, where the population is relatively large and farmland is relatively insufficient, with less developed secondary and tertiary industries, we do not have the necessary conditions for conducting scale operation on farmland. To settle the issue of ensuring sufficient food for the peasants, we should strive to increase farmland yield through intensive operation and the adoption of more scientific farming techniques.

Yang Rudai said: It is necessary to make great efforts to develop social services in the countryside, and bolster the collective economic strength in villages and cooperatives. Only thus can the burdens of the peasants be lessened. In particular, the development of village-level collective economy should be adapted to local conditions

and should be advanced in a planned and orderly way. It is inadvisable to be overanxious for quick results. Land contracted to peasant households must not be repossessed, and the collective economy must not be strengthened through "massing labor and resources without compensation" because this will harm the interests of the peasant masses. The growth of collective economy is a process of evolution, and should mainly rely on production development and the accumulation of collective undertakings.

Yang Rudai also said: At present, it is inadvisable to divide agricultural operation into "large-scale agriculture" and "small-scale agriculture," because it is hard to clearly define what is big and what is small and misunderstanding may be easily caused. It is necessary to stabilize the household output contract system, and make efforts to establish and perfect the social service system and gradually turn the agricultural service undertakings into collective economic entities. The sales and circulation of agricultural products should be improved. Problems that cannot be settled by individual peasant households should be really settled. This will not only develop and strengthen the rural collective economy, but also bring greater benefit to the peasants.

Wang Senhao Views Shanxi Economic Reform

HK1810121091 Beijing JINGJI RIBAO
in Chinese 30 Sep 91 p 3

[By Shanxi Governor Wang Senhao (3769 2773 3185): "Make Key Points Stand Out, Carry Out Reform in Depth"]

[Text] Shanxi is a world-famous "land of coal" and a base of the energy and heavy chemical industries of the country. Since the Sixth Five-Year Plan, Shanxi has conducted large-scale energy exploitation. A batch of state-invested key construction projects such as large mines, power plants, and railways have gone into operation or been completed. The construction of a batch of locally invested key projects has also started and some of them have gone into operation. Township and town coal mines found all over the province have been developing in leaps and bounds. In 1990, the coal output of the whole province reached 286 million metric tons, up 136.3 percent over 1980; 203 million metric tons of coal was transferred out of the province, taking up nearly 80 percent of the total amount of outgoing coal in all the coal-producing provinces of the country. Generated energy reached 31.42 billion kilowatt-hours, up 161.3 percent over 1980; 6.468 billion kilowatt-hours of electric energy was sent out of the province, making Shanxi the biggest contributor of electric energy in the country. Shanxi has made its due contributions to the national four modernizations.

The construction of the energy base has activated and promoted the development of the provincial economy. The Sixth and Seventh Five-Year Plans were comprehensively accomplished; the first doubling of the

economy was achieved ahead of schedule; and Shanxi's economy and society both went through marked changes. All this has laid a foundation for the second doubling of the economy and the improvement of people's livelihood to the level of comparative comfort by the end of this century.

During the Eighth Five-Year Plan, the following strategic principle will be implemented in Shanxi's economic and social development: "Comprehensively implementing the party's basic line; liberating people's minds; deepening reform; expanding opening up; furthering the effort in the construction of the base for energy and heavy chemical industries; making vigorous efforts to strengthen agriculture; continuing to develop science and technology and education; actively adjusting the industrial structure; striving to enhance economic efficiency; maintaining sustained, steady, and coordinated economic development; and speeding up the pace of invigorating Shanxi and making the people rich." Besides energy, transportation and communications, agriculture and support for the poor, education and science and technology, transformation of key enterprises and consumer goods industry, construction of basic facilities closely connected with the people's livelihood, and environmental protection, are listed as the key targets of economic and social development.

During the Eighth Five-Year Plan, while the state is speeding up the construction of mines under unified central planning, we should, standing by the principles of rational exploitation, selective transformation, and boosting stamina, accelerate the development of the local coal industry. We should raise funds from various quarters and increase the input in local mines to a great extent; while focusing on the construction of 35 key mine-producing counties, conduct technical transformation and match the various links in the operational line for the existing mainstay mines; selectively build some new mines; improve the mechanization of mining and the capacity for safe production; carry out the construction of matching roads, electric supply system, loading system, and transportation system; and strive to increase the production capacity of raw coal by some 50 million metric tons within five years. In the meantime, we should make vigorous efforts to strengthen transportation, build some new railway arteries such as the Hou-Yue [0186 2588] line, and selectively transform a batch of arterial highways and highways for intensive coal transportation, to guarantee the unobstructed flow of energy and heavy chemical industry products out of Shanxi Province.

The energy base should also do a good job in the processing, transformation, and comprehensive utilization of coal, and develop products with a high level of energy consumption. There is great potential in Shanxi for processing of coal at a deeper level and for the chemical industry. Shanxi's chemical industry should develop in such a way as to produce synthetic fibers, organic synthetic materials, agricultural chemical products, and oil made from coal. Meanwhile, it is also

necessary to make vigorous efforts to develop the aluminum and iron and steel industries.

Another focus of Shanxi's economic development is agriculture. The agricultural population of Shanxi takes up 75 percent of its total population. If peasant income and consumption level fails to improve, the general goal of invigorating Shanxi and making the people rich will be impossible to achieve. It is therefore necessary to consolidate agriculture as the basis and strive for new breakthroughs in grain production. Energy and grain will be the ballast of the overall situation of Shanxi.

The consumer goods industry in Shanxi is rather weak, and half of the consumer goods needed are transported in from outside the province. During the Eighth Five-Year Plan, it is necessary to import advanced technology actively; conduct technical transformation in existing enterprises; make up for the deficiencies; adopt new materials, new techniques, and new processes; strive to develop new products; and strengthen the construction of the base for providing raw materials for textile and other light industries, so that the quality, variety, and grade of Shanxi's consumer goods industry, as well as the output of readily marketable products will be markedly improved, to satisfy the multifaceted needs of the people in their daily life.

Speeding up Shanxi's economic development requires the strategic guideline of developing the economy through science and technology. During the Eighth Five-Year Plan, we should, on the basis of completing the technical transformation in 58 large and medium mainstay enterprises, select another batch of enterprises for technical transformation. We should place the development of education and enhancement of workers' quality in an important strategic position in economic development.

Shanxi has a fragile ecology. In the course of economic development, it is imperative to exploit natural resources rationally and take solid steps to strengthen the protection and management of the environment. We should speed up the processing of the three wastes, give priority to the key projects that have a great impact on the ecology of the entire province, such as urban gas supplies, regional heating, processing of waste water, protection of waterheads in mining areas, and restoration of fields and afforestation. The objective is to make marked improvement on the environmental quality in seriously polluted cities and prefectures of the province.

Combining Market, Planned Economy Discussed

HK2310052891 Beijing QIUSHI in Chinese No 17, 1
Sep 91 pp 2-7, 14

[Article by Su Xing (5685 2502): "Study Methodology for Combining Planned Economy with Market Regulation"]

[Text]

I. We Must Proceed From Reality, Not Simulation

In Mao Zedong's report on "Reforming Our Studies," he said: "We must proceed from the actual conditions inside and outside the country, province, county, and district, and draw from them their fixed and not imaginary laws. That is, discover the internal liaison between the facts and changes on all sides, to serve as guidance for our actions." Actual conditions should include present and historical conditions. Hence, Mao Zedong advocated that we should study actual conditions and history. In studying the problem of planning and market, this method should also be adopted. In my opinion, we cannot be said to have clearly understood these two sides.

Let us first take the study of present actual conditions. Everybody says: In our plan, including the mandatory and guidance plans, market regulation is outside it. This being the case, what is the current concrete condition? Last year, a planning department comrade said that of the industrial gross output value, mandatory plans occupied around 17 percent, guidance plans around 40 percent, and the remaining 40 percent consisted of market regulation. At that time there were people who doubted the accuracy of these statistics. Some provinces and cities have claimed that due to the state lacking unified guidance and regulation tactics, guidance plans have currently developed toward mandatory plans and market regulation. Recently, I noted an article written by a Shanghai comrade. The article mentioned that, at present: Mandatory plans have been curtailed too much in scope and that a situation whereby the mandates have not been properly observed has existed; regarding guidance plans, because of the leverage departments failing to coordinate with each other, they exist in name only and not in fact, and that regarding market regulation, its spontaneous nature is too great and much confusion has resulted. Hence, he advocated abolition of the guidance plan, letting only the mandatory plan and market regulation remain. This shows that the present condition of plan and market has not been clearly understood, causing various kinds of discussions and disputes. Study of present conditions principally relies on investigation and research. In this respect, much work has yet to be done.

Let us turn next to the study of history. The planned economy has been in practice in socialist countries for over 70 years and in China for over 40 years. In handling the problem of plan and market, there have been positive and negative experiences, both of which should be summed up. I feel that people have spoken a lot about the negative experiences and basically little about the positive experiences. I can cite two examples of the positive experiences.

The first is related to Lenin's handling of the relations between plan and market during the period of the "new economic policy." At that time, Lenin attached exceptional importance to utilizing the market. In December 1921, the 11th National Representatives Conference of

the Russian Communist Party (Bolshevik) adopted the following resolution: "At present, on the economic side, the basic task of the Russian Communist Party is to lead the economic work of the Soviet political power. It is necessary to proceed from the existence of the market, consider market laws, and grasp the market and, through adopting economic measures which are systematic, carefully meditated, and built on a correct estimation of the market process and procedure, regulate the market and circulation of money." This resolution reflected Lenin's thought. However, in the past in the Soviet Union, there was little earnest study of this historical stage. Some foreign scholars have virtually made no mention of it.

The second is related to China's handling of the problem of plan and market during the First Five-Year Plan. At that time, there was the coexistence of diversified kinds of economic constituents. These economic constituents were linked together through the market, while the leadership role of the state-run economy was also played through the market. Beginning in 1953, China carried out planned economic construction but did not, and indeed found it difficult to, wholly follow the planned management system of the Soviet Union. During this period, not only was there no thought of abolishing the commodity economy but also great importance was attached to utilization of the market and market mechanism. The actual condition was: China enforced direct planning only on a portion of state enterprises (principally comprising enterprises under the control of the central, provincial, and city governments) and large public-private enterprises; in the rest of state enterprises (small enterprises), public-private jointly-run enterprises, and collective agricultural and handicraft enterprises, indirect planning was enforced; and, as for private enterprises and individual agricultural and handicraft enterprises, they were put on the state planning track through placing orders for processing, pre-purchase agreements, and utilizing such economic levers as price, taxation, credit, and loans supplemented by the necessary administrative tactics. This can also be said to be indirect planning. When explaining the First Five-Year Plan, Comrade Chen Yun said: "This plan has a relatively correct part, that is, the one on state-run economy. But there are also many incorrect parts, namely, those on agriculture, handicraft industry, and capitalist industries and trades which can only be subjected to indirect planning, and they occupy a relatively large proportion of the national economy." This reflected the situation at the time. Certain foreign scholars could not understand why in China's First Five-Year Plan, what was learned was the Soviet Union's planned management structure and yet, at that time, economic life was still not too ossified and the market still prospered. This can be explained in part by Chen's words. Since the basic completion of the socialist transformation of the private ownership of the means of production, we have also attached importance to the market problem. For example, at the Eighth CPC National Congress, Comrade Chen Yun mentioned a number of measures in his speech: The adoption of

selective purchasing and self-marketing in the case of a portion of the commodities; allowing many small plants to carry out independent production; cutting down the scale of many handicraft cooperatives and dividing them into small groups or assigning their operations to separate households; assigning many subsidiary trade products to be undertaken by members of cooperative societies; loosening market control of certain minor native products; permitting the temporary price raises within a definite scope for certain commodities; changing the method of planned control of certain departments; and so forth. All these measures were aimed at solving the relations between plan and market. It was unfortunate that subsequently, for various reasons, these suggested measures were not put into actual operation. It was only after the Third Plenary Session of the 11th CPC Central Committee, and in the course of economic structural reform, that these propositions were realized and far surpassed in actual practice.

For the sake of economic structural reform, many foreign scholars, based on their own research, have put forward and planned many patterns. Chinese scholars themselves have likewise planned certain targets and patterns. As a type of academic research, this undoubtedly is beneficial to investigative work. However, in studying the problem of the plan and market from the angle of actual work, we should start from reality and not from a certain sort of pattern. The reasons are: First, a fixed pattern does not exist in socialism, and if we should proceed from it, our hands and feet could be easily bound. Second, the viewpoints of those scholars engaged in studying the pattern are liable to change and we cannot follow them step by step. For example, last year, W. Bruce wrote: "Now we find ourselves in an environment like this, where the problem is daily becoming one which does not belong to improving the socialist planned economy but to employing an entirely matured market system to replace the socialist planned economy, in which ownership relations can be freely adjusted to protect and ensure the market's normal operation." This shows that the viewpoints of certain writers have begun to change. Third, certain targets and patterns are only some types of propositions and do not conform with reality. An economist has commented that these propositions contain more political terms than economic terms and that they excel in presentation but cannot be easily grasped when put into actual operation. This comment reflects part of the actual situation.

II. Clarify Concepts; Do Not Circle Around Them

A large number of concepts are liable to be met in studying the problem of plan and market. Among these, some have come from abroad, while some have been formed by ourselves. To facilitate studying, it is necessary to clarify certain standards and concepts and find a viewpoint generally in harmony with reality. Unanimity need not be strongly insisted upon and different interpretations may be maintained.

1. Regarding plan, planned regulation, planned economy and the law governing proportionate development according to plan.

Plan is something of a subjective nature. Regardless of what kind of socioeconomic stature, all economic units with the same owner are governed by plans. [sentence as published] This is not solely the case with a socialist economy. For example, in a capitalist society, enterprises are all planned. In the 1930's, and particularly after World War II, certain countries formulated this or that kind of plan and, in certain cases, obvious results have been achieved. This shows that capitalist countries can also use planning as a measure to regulate the national economy. Planning and planned regulation may be employed by socialist countries and also by capitalist countries.

Planned economy is different. Its special features are that, through meaningful regulation, society maintains the procedure of social reproduction and the proportionate development of the various departments of the national economy. And this can be necessary and possible only in countries with the public ownership system as the leading factor. First, this is because the public ownership system, being a socialized large economy, objectively requires a unified plan for guidance. Second, the public ownership system is the master; plans the production, distribution, and commodity circulation of the enterprises, departments, and localities; and possesses restrictive power in varying degrees. This is beyond the capability of an economy which has the private ownership system as the basis. Therefore, capitalist countries cannot enforce planned economy, and they themselves do not admit that theirs is a planned economy. Based precisely on this point, we can say that planned economy is the special feature of the socialist system.

Planned economy has its own strong points. This has also been acknowledged by certain capitalist scholars. When the British writer H.G. Wells visited Russia in 1920 he heard that Lenin wished to carry out the "all Soviet electrification system." He remarked: "Lenin, this real Marxist, having defeated in argument all 'vain-thinking socialists,' has in the end fallen into the trap of the utopia, the electrification utopia." In 1934, Wells, after visiting the United States, again visited the Soviet Union and had a different viewpoint. During this period, the capitalist world experienced the serious economic crisis from 1929 to 1933, while the Soviet Union had completed the First Five-Year Plan. He said to Stalin: "My trip to the United States this time left me with a strong impression. The old financial system there is collapsing and economic life in the whole country is being transformed to a new form. Some time ago, Lenin said that he would like 'to learn to do business' and to learn from the capitalists. The capitalists should learn from you to understand the spirit of socialism. I believe that in the United States, the problem lies in carrying out a deepgoing transformation, that is, establishment of the planned economy, which is the socialist economy."

Wells' method of thinking was unrealistic. He was criticized by Stalin, but this honest writer at that time definitely saw the strong points of the planned economy. In the early 1980's, a contemporary American economist also said to Chinese scholars: Enforcement of planned economy is the strong point of socialism; the enterprise is a living cell and the strong point of the capitalist system. In our reform of the economic structure, we should attain these two strong points.

However, the history of the development of planned economy in the Soviet Union and China shows that the mere possession of a planned economy cannot display its strong points. On the contrary, if our plan violates the objective economic laws, the damage to the national economy will be extremely serious. This problem was well understood by Stalin. In his book *Socialist Problems in the Soviet Union*, he wrote: "We cannot mix together our annual plans and five-year plans with the objective economic laws of the planned and proportionate development of the national economy." "The laws governing the planned development of the national economy provide our planning organs with the possibility of correctly planning social production. But the possibility and actuality cannot be mixed into one. They are two different things. To change this possibility into reality, it is necessary to study this economic law, grasp it, learn to be skilled in using it, and formulate the plan which can completely reflect the demand of this law. We cannot say that our annual plans and five-year plans entirely reflect this law's demand." Stalin was speaking from experience.

What is the law governing the planned and proportionate development of the national economy? Its contents consist of adherence to ratios. According to the theory of reproduction by Marx, these ratios include: 1) Principal ratios in the national economy, such as those between industry and agriculture, between departments in industry, between departments inside agriculture, between energy, communications, and economic growth, and between primary, secondary and tertiary industries.... [ellipses as published]; 2) under the conditions of expanded reproduction, the ratio between the accumulation fund and consumption fund (accumulation rate) and between the accumulation fund and consumption fund.... [ellipses as published]; 3) Under the conditions of expanded reproduction, equilibrium (equilibrium meaning according to proportion) between funds and materials, principally comprising equilibrium between financial receipts and expenditures, credit and loan receipts and expenditure (including foreign exchange) and material resources, equilibrium between fixed assets investments and supply of means of production, and equilibrium between social purchasing power and supply of consumption materials. These proportionate relations may be yearly ones, or for several years, or for 10 years and longer periods. When we speak of overall balance, we mean coordinating these big and important proportionate relations.

Proportionate relations are objective in nature and cannot be moved or changed by man's wishes. If the plan

we formulate can conform with this demand, then the anticipated targets can be achieved. If it goes against the demand, then due punishment will follow. China's readjustments in the 1960's, end of the 1970's, early 1980's, and the readjustment this time were all due to the national economy's proportionate relations showing serious maladjustments. Readjustment is principally to restore the damaged proportionate relations. With reference to the working of laws, it should be pointed out that people will feel them not only when suffering from their punishment, but also when people's acts comply with their demands and achieve success. Hence, we always sum up the experience of both the positive and negative sides, since both can help to deepen our understanding of the working of the objective laws.

Regarding market, market mechanism, market regulation and market economy.

Market is the product of commodity economy and is the sum total of commodity exchange relations. Lenin said: "Domestic market appears when commodity economy appears; it is established with the development of this kind of economy, while its level of development is determined by the meticulous degree of the social division of work."¹ This is to say: So long as there is commodity economy, market exists. The market's development level is determined by the meticulous degree of the social division of work. Socialist commodity economy also exists with the market. It cannot be imagined that with the existence of commodity economy, no market exists. Certain socialist countries in the past have refrained from mentioning market and even took it as something strange, principally due to ideological considerations and taking the market as being equivalent to capitalism. These errors in theory have brought many evil consequences to actual practice.

In China, economists do not have unanimous understanding of market mechanism. In my opinion, to put it more simply, market mechanism refers to the operation regulations of the commodity economy—principally the law of value and the economic levers related to it. When we say utilization of market mechanism, we refer to utilizing the law of value and the economic levers. Market and market mechanism constitute an indivisible united body and, with the existence of market, market mechanism exists. Hence, we cannot put planned economy and market mechanism in opposition to each other. On the contrary, under the conditions of market economy, in enforcing planned economy it is necessary to fully utilize market mechanism.

In China, market regulation carries a special meaning. In March 1979, Comrade Chen Yun, in his outline on "plan and market," wrote: "Over the past 60 years, be it in the Soviet Union or China, the principal defects in the planning work system was that there was provision for 'planned and according to proportion' but there was no provision that under the socialist system there must be market regulation." What is market regulation? He said: "It is without planning but based on changes in market

supply and demand to carry out production, that is, under the shade of blind regulation."² He also believed that in the whole socialist period, market regulation should be taken as a supplement to planning. Here, market regulation refers to free production and free market; it is under the guidance of plan but is different from planned production and planned market. In actual work, leadership personnel in departments and enterprises can easily demarcate the border lines between the two. People say: "Planning is when the state does the watching or exercises control and market is when it does not." Here, "market" refers to market regulation.

In China's economic circles, market economy is also interpreted differently. In one case, it is understood to refer especially to economy entirely under market regulation, that is, capitalist commodity economy; in another case, the belief is that commodity economy cannot depart from market exchange and market regulation and that any type of economy is market economy, that is, market economy is the same as commodity economy. Regarding market economy, capitalist economists have offered various kinds of interpretations. In this respect, specialists in China who have made a special study of Western economics have made the following summary of its embodiments: "Enforcement of the private ownership system and this system is protected by law; organization of production by private enterprises; the sole purpose of production is to reap profit; enterprises may freely purchase or hire the essential elements of production from the market; in the products market, products and labor may be freely sold; each and every enterprise separately and independently makes its own economic decisions and policies and the owner of an enterprise is its supreme head; operation of the economic system is entirely controlled by the price mechanism; price relationships, by means of the market, provide the producer with economic information and lead production into various channels; all-around development of market competition, all single economic units pass through universal competition to increase their own economic benefits, individual producers attain maximum profits through competition and individual consumers obtain their maximum satisfaction through competition; government has limited economic functions, exercises little management or control over economic activities, particularly in regard to price and production volume, and, in the belief of microeconomists, the government that does the least supervisory work does the best supervisory work."³ In my belief, this interpretation relatively conforms with reality. We cannot take commodity economy to be the same as market economy. Some commodity economies have taken the system of private ownership of the means of production as the basis, while others have taken the public ownership system of the means of production as the basis. Commodity economies which take the system of private ownership of the means of production as the basis generally belong to the market economy category, whereas commodity economies taking the public ownership system of the means of production as the basis generally enforce planned

economy and, at the same, time carry out market regulation. Market regulation and market economy have their common points, both being based on the changes in market supply and demand to freely engage in production and commodity circulation. However, market regulation is again different from market economy. It undertakes free production and free circulation within the scope permitted by the state plan and does not enforce overall market economy.

A clarification of market, market mechanism, market regulation, and market economy can make certain problems more easily understood. For example, when it is said that "market and plan similarly cover the whole society," this refers to market and market mechanism and not to market regulation and market economy because, in China, market regulation is not enforced throughout the whole country and market economy is not in operation.

The essential difference between capitalism and socialism lies in the ownership system of the means of production and the distribution system connected with the ownership system. Their operation mechanisms differ but still have common points. Comrade Jiang Zemin, in his speech at the 70th anniversary of the CPC's founding celebration meeting, pointed out: "Plan and market, as measures to regulate the economy, meet the objective needs of the development of the commodity economy established on the basis of socialized large-scale production. Hence, the employment of these measures within a definite scope is not a landmark differentiating socialist economy and capitalist economy." Socialist economy is planned economy but does not repel market regulation and the use of market mechanism. Socialism is market economy but does not wholly repel plan and planned regulation.

Clarifying a concept is for the sake of facilitating the discussion of problems but we must refrain from circling around the concept. Recalling Lenin's time, (Ketup-sikaya) [0344 7627 2528 2448 0595 1246] mentioned an incident. On one occasion, she was reading a report from the (Sverdlov) [si wei er de luo fu 2448 4850 1422 1795 3157 1133] University on the students' enthusiasm about studying the theory of value. One student spent a whole night seeking the definition of value. The next morning, in a dazed manner, he went into the street and grabbed a pedestrian, asking him to give a definition of value. She told this to Lenin, who remarked: "This is not the study of Marxism. In the study of Marxism, only seeking a correct definition, making the formula tally with all the scientific rules, and going into minor details are not appropriate. In the study of Marxism, it is most important to understand the spirit of Marxism, understand its basic ideas, and be adept in employing Marxism in reality." In studying and examining the problem of plan and market, we should adopt this attitude.

III. Integrating Theory and Reality, Probing Concrete Road to Integrating Planned Economy and Market Regulation

In China, understanding the integration of plan and market has gone through a procedure.

Since the Third Plenary Session of the 11th CPC Central Committee, for the purpose of further and better implementing the guideline of readjusting, reform, consolidating, and elevating the national economy, unprecedented and wide discussions have taken place on the relationship between plan and market. The initial advocacy was the integration of planned economy and market economy. Later, it was changed to integration of planned regulation and market regulation. In 1981, the party Central Committee's "Decision on Certain Historical Party Problems Since the Founding of the Republic" stated: "Enforcement of the planned economy must be on the basis of the public ownership system and, at the same time, the supplementary role of market regulation must be displayed." Later, all formal documents mentioned the integration of planned economy and market regulation. This advocacy was most clearly mentioned in Comrade Deng Xiaoping's address when, in 1989, he received the capital's garrison forces above the rank of cadre. He said: "We should continue to firmly insist on the integration of planned economy and market regulation. This cannot be changed. In actual work, during the actual period of readjustment, we may strengthen the planned character a little bit and, at another time, strengthen market regulation a little bit and make it a little more lively. After that, it will be the integration of planned economy and market regulation."

As for the form of integration between plan and economy, various ones have been mentioned in the economic circles. The more outstanding ones may be mentioned as "plank-and-lump integration," "infiltration integration," "organic integration"... [ellipses as published] For a certain period, there were fierce discussions about these. Later on, certain economists believed that all these forms, rather than having the selective targets of repelling each other, were actually in the development stage of each succeeding the other. Basically, I agree with this view. In reality, the "plank-and-lump form" is also the product of reform of the economic structure; it breaks the planned economy's "sole rule over the world" and allows a portion of the products to enforce market regulation in the circulation area. This is a great breakthrough. Moreover, if we can only firmly insist on the integration of market and plan, the "plank-and-lump form" always exists objectively. The "infiltration form" takes the "plank-and-lump form" as the precondition, for without "planks and lumps," there is no infiltration of which to speak. "Infiltration" implies that planned economy (including mandatory and guidance plans) must make use of market mechanism and comply with the law of value and market regulation must be subjected to the plan's guidance. As for "organic integration," the economic circles have

offered different interpretations. The general interpretation is that the plan principally regulates the economic activities of the macroeconomic layers, while the market principally regulates economic activities of the microeconomic layers. But macroeconomic adjustment and control must consider the trend of changes in market supply and demand, while microeconomic activities must be subjected to the plan's guidance.... [ellipses as published] This form has its source in the saying: "The state regulates the market and the market guides the enterprises."

In 1986, at the macroeconomic management discussion meeting convened by the State Planning Commission, two patterns were mentioned: One was "market—enterprise—state" and the other was "state—market—enterprise." The latter one was "the state regulates the market and the market guides the enterprises." There are diversified viewpoints on this formula. Some people emphasize state regulation, while others stress market guidance. To avoid unnecessary disputes, I believe that if this is no longer taken as a target model, it may be more beneficial to proceed from reality to probe the concrete road to the integration of planned economy and market regulation. Of course, as a theoretical problem, economists may continue to discuss it.

Inside China there is now little dispute that planned economy and market regulation must be integrated, and can be integrated, and the need now is to find the concrete road to, and the form of, the integration. Here, two problems need to be discussed.

How can a planned economy (including mandatory plans and guidance plans) make use of market mechanism?

Mandatory plans must abide by the law of value and consider market demand and supply relations. That is, they must make use of market mechanism. Everybody agrees with this but, in realistic economic life, this has not been solved well. The current conditions are: In the case of certain products, the raw materials are under mandatory plans while the products are subjected to market regulation; in the case of certain other products, raw materials are under market regulation whereas the products are subjected to mandatory plans. Due to the rather great disparity between planned prices and market prices, many large and medium state enterprises have suffered losses. Hence, the enterprises demand: "Either follow the plan on both sides or follow the market on both sides." This demand is a rational one but how to realize it is not so easy.

Guidance plans principally utilize the market mechanism. This form is all the more suited to the demand of development of the commodity economy. Its strong points are: The enterprise which serves as commodity producer and handles commodities and which autonomously runs the concern, is solely responsible for its own profits and losses and can manage self-development and arrange production and distribution based on market needs. By so doing, it gives vitality to the enterprise and,

at the same time, makes use of such economic levers as prices, interest rates, tax rates, and exchange rates to regulate its production and circulation, making them harmonize with the demand for the planned and proportionate development of the national economy. Unfortunately, at present, a guidance plan has not been truly established. The causes are: It principally depends on economic levers to regulate production and circulation and, at present, a prestigious organization to unify employment of these economic levers is lacking. The result is that occasionally disputes and quarrels have risen which have not only kept them from playing their role properly but have also bred evil consequences. I have always believed that a state planning organ should unify and coordinate the use of these economic levers to uphold their prestige and responsibility. Last year, comrades in Shanghai also expressed more or less the same tone. The "Program Outline" this time also mentioned this problem. It said: It is necessary to further put in order the reciprocal relations between the planning, financial, banking, and other economic departments to enable the planning department to effect overall balancing, to carry out the state's industrial policies, and to comprehensively coordinate the functions of the economic levers so that the planning, financial, and banking departments can rationally divide their work, closely cooperate with each other and effect coordination. Thus, there seems to be hope ahead but its full realization will still require some time.

How large is the scope of market regulation? How should planned guidance be carried out in it?

The market problem is principally one of price. The party Central Committee has already decided that during the "Eighth Five-Year Plan," there will be a further reduction of the scope of state-fixed prices and an enlargement of the portion of market regulation. The concrete measures will be: Prices of a small number of commodities and services will be under the control of the state and price readjustment must harmonize with the demand of the law of value and will take into consideration the changes in market supply and demand; the prices of the remaining large number of commodities and services will be subjected to market regulation. This guideline is a correct one.

According to historical experiences, the prices of products which are important, are short in supply for a prolonged period, and have a bearing on the national economy and the people's livelihood, still need to be fixed by the state; as for the remaining products, particularly those consumer goods which are balanced in supply and demand, those which can be decontrolled should be gradually decontrolled and allowed to be regulated by changes in market supply and demand. In price reform in China, reform of the price structure and reform of the system of price control are indivisible. Over the past 10 years or more, China's price reform has passed through three stages. Before 1984, adjustment came first. After 1985, decontrol became dominant. Now it is integration of the two. Since 1985, several large decontrol measures have been taken. The prices of a large

portion of agricultural and sideline products have been decontrolled, important means of production for industry have been put on the "double track system," and the prices of a large portion of consumer goods have been decontrolled. Generally speaking, after decontrol of prices, good results have been achieved. The economy has been invigorated, development of the commodity economy has been promoted, the people's standard of living has been improved, and the markets are prosperous. Naturally, certain problems have appeared but they can be solved by reform and strengthening of control.

At present, the problem is that certain commodities which should have been decontrolled have not been decontrolled, resulting in certain artificial difficulties for state enterprises. Marx said: In the market, commodities are "by nature equal" and, "in this regard, there is no difference whatsoever between products turned out by capitalists and those produced by independent workers, or workers' cooperatives, or slave labor."⁴ Commodities can dominate the market only through their good quality and low prices and, in this regard, state enterprises are no exception. In the past, many commodities were handled by state enterprises and, as the saying goes, "an emperor's daughter has no fear of not getting a husband"; any losses were suffered by the state. The situation now is different. With the coexistence of diversified economic constituents, enterprises are becoming commodity producers and handlers of commodities who run their businesses autonomously, are solely responsible for their own profits and losses, and undertake their own self-development. State enterprises are facing competition not only in the internal market but also in the international markets. Under such conditions, state enterprises can survive and develop only in competition and by displaying their leading role in competition. In order that state enterprises begin at the same starting point in competition with other economic constituents, the prices cannot be controlled too rigidly. If we demand an increase in the variety of commodities and improvement in the quality of the commodities, this cannot be done if price control is not loosened.

Enforcing market regulation does not imply abolition of planned guidance. How to manifest planned guidance can be solved only through actual practice. In this connection, we have already accumulated certain experiences. For example, in Beijing municipality, in the production and marketing of watermelon, the prices are decontrolled but planned guidance has still been continued and has yielded good results.

¹Footnotes ¹*Works of Lenin*, Second Edition, Vol 3, p 52. ²*Selected Works of Chen Yun*, 1956-85, p 231.

³*Contemporary Western Economic Theories and Schools*, compiled by Gao Hongye, Wu Yifeng, and others; China Economics Publishing House, p 12.

⁴*Complete Works of Marx and Engels*, Vol 24, p 429.

Transregional Economic Cooperation Increases

HK1710054691 Beijing CHINA DAILY in English
17 Oct 91 p 1

[By staff reporter Li Hong]

[Text] Trans-regional economic cooperation, initiated by the Chinese Government in 1986 to help spur inter-provincial business activities, is speeding up the transfer of capital and technology from the country's east coast to its inland west, according to official sources.

A recent survey by the State Planning Commission showed that more than 12,000 inter-provincial cooperation projects have been launched, involving capital of more than 2 billion yuan (\$375 million).

The projects are mostly run by such coastal areas as Jiangsu, Shanghai and Tianjin, in cooperation with the border regions of Xinjiang, Ningxia, Yunnan and Tibet.

The cooperation projects are aimed primarily at helping western China's land-locked areas eliminate poverty.

They are also designed to help remove the barriers of local protectionism and make better use of each others' resources.

An official from the State Planning Commission said that by the end of 1990, more than 100 large-scale economic cooperative organizations or conglomerates had been set up between different provinces and cities, and between different regions within a single province.

The connections are usually formed according to geological distribution or railway lines, such as the 7-province economic cooperative belt along the Yellow River, the coordination committee of the five southwestern provinces and regions, and the Longhai rail line cooperation zone.

During the past five years, more than 12,000 economic and technological cooperation projects valued at around 2 billion yuan (\$375 million) have been set up and produced an output value of more than 43 billion yuan (\$8.1 billion).

Shanghai, Jiangsu, Shandong, Guangdong and Tianjin were the first provinces and cities to benefit from the reform and opening to the outside policy and prosper. They have taken the lead in aiding the western outlying areas, the official with the commission's local economy department said.

In recent years, Shanghai has helped one border province and three autonomous regions by sending advanced technology there. It has also benefited from the reciprocal flow of raw materials and other resources from the hinterland.

Shanghai has helped Yunnan Province, and Ningxia Hui, Xinjiang Uygur and Tibet autonomous regions set up more than 1,800 economic projects and train over 10,000 personnel.

Nie Bichu, the Mayor of Tianjin, recently headed a delegation to inspect the northwestern provinces, and returned with 290 cooperative contracts with the slow-developing Shaanxi, Gansu and Xinjiang.

Jiangsu, which is the biggest contributor to China's coffers, has been channelling loans and technology to

Xinjiang and Guangxi. As a result, many petro-drilling and processing, textile and food projects have been completed.

The eight industrial cities in Jiangsu Province have over the past years established steady long-term economic ties with 11 cities in the Xinjiang Uygur Autonomous Region and with 13 cities in the Guangxi Zhuang Autonomous Region. Their cooperation has resulted in the birth of 2,700 new projects in the two border regions with technical backing from Jiangsu.

East Region

Anhui Issues Circular on Drought, Fall Planting

OW2510091791 Hefei Anhui People's Radio Network
in Mandarin 1100 GMT 24 Oct 91

[From the "Provincial Hookup" program]

[Text] The Anhui Provincial Government issued on 23 October an emergency circular on efforts to fight drought, rush crop planting, and protect seedlings. The circular said: Over the past month or so, most of the province received very little rain, and the drought situation north of Huai He has become more critical. According to incomplete statistics, over 16 million mu area in the province has been hit by drought, and the dry spell has seriously affected regular autumn planting. At present, 11 million mu and 4.28 million mu, or 31.4 percent and 40.7 percent of the designated area, are respectively planted with summer grain and rapeseed. Seedlings have emerged from cultivated farmland in a haphazard way, and about 20 percent of the farmland have not been sown with seedlings or have broken ridges.

Forecasts by meteorological departments said that the drought will persist in areas north of Huai He, and there will be no rain in the near future. Frost is descending, and it is necessary to perform autumn planting immediately.

The circular urged governments at all levels to regard efforts to fight drought, rush crop planting, and protect seedlings as the central tasks in rural areas. It said: Governments at all levels should gather their forces, strengthen leadership, mobilize the masses, promote the spirit of flood fighting, pool the wisdom and efforts of everyone, take the initiative to adopt effective measures, overcome the passive thinking of waiting for rain, and give their best to complete the task of autumn planting. All levels of task forces sent to rural areas should actively coordinate with local governments and effectively carry out the work. All irrigation facilities should be put into operation immediately to release water to (?cultivate farmlands). Existing water pumping stations, mechanically and electrically operated wells, small wells in areas north of Huai He, and gigantic reservoirs and water conservation stations south of Huai He should systematically provide water. In particular, units in charge of various major irrigated zones should go down to the grass-roots level and carry out plans to transport water. At the same time, it is necessary to extensively mobilize the masses; adopt various methods such as utilizing all strata of society and departments as well as selecting appropriate people; award every mu of land to those who water it; and carry out every effective measures and devoted efforts to expand (?cultivated farmlands) and areas sown. It is necessary to promptly check and replant seedlings in planted fields; ensure the protection of seedlings of basic crops; practice stricter management on rape seedbeds; cultivate strong seedlings; and transplant them in a timely manner. All relevant departments as

well as all trades and professions should take the initiative to actively assist the frontline in drought fighting, earnestly improve services, and help solve practical issues. It is also essential to strengthen technical instruction on drought fighting and autumn planting; use water scientifically and economically; and try every means to redistribute diesel oil, gasoline, electric power supply, chemical fertilizers, funds, and seeds, in order to fulfill the pressing need to fight drought, rush crop planting, and protect seedlings.

The circular concludes by saying: It is necessary to persist in giving systematic guidance. We should highly stress efforts to drain and carry out timely seeding of areas where water stagnates, in particular those along Chao Hu.

Local Staffers Assume Posts in Xiamen Firms

HK2410001491 Beijing ZHONGGUO XINWEN
SHE in English 1447 GMT 23 Oct 91

[Text] Xiamen, October 23 (CNS)—The Taiwan-funded Sandexing Company in Xiamen has changed its original eight technical and managerial staff who were from Taiwan, replacing them with native staff by training a number of university graduates, and post-graduates with master's degrees, some of whom were sent abroad for further study.

A sample survey shows that employment of managerial as well as technological personnel of foreign-funded enterprises here tended to be localized. Staff hired from overseas by these enterprises at the early stage of the opening policy accounted for 80 percent of the total while the proportion of local employees has risen to the present 80 percent.

A Taiwan-funded shoe factory has its various managerial posts occupied by native people. A Sino-American storage disc company has all local managerial staff except the post of general manager. The Xiamen Yuehua Hotel, a joint venture enterprise has all its managerial positions ranging from general manager to middle-level managers filled by locals.

As a foreign businessman said, "Xiamen possesses a wealth of top quality talent, enthusiastically devoted to their work and sincere in their cooperation, making me feel at ease in giving them the responsibility of managing my enterprise.

The city capitalized in recent years on the strong point of having a large number of polytechnic schools and universities here to provide over 1,000 graduates for foreign-funded enterprises in recent years. It also brought in a batch of professionals from elsewhere across the country through the Centre of Talent Exchange. The foreign-funded enterprises singled out over 600 local personnel to be sent abroad including Hong Kong and Macao to study modernized management as well as science and technology. A vast number of talents has been rapidly fostered.

The localization of managerial personnel, according to foreign businessmen, was greatly welcomed because employment of staff from overseas cost in monthly salaries ten or even twenty times more than for local employees.

As local staff are familiar with the actual situation, they can take advantage of handling relations between employers and employees as well as those between the enterprise and other local entities.

Huang Ju Addresses Advisory Group Meeting

OW1910214791 Shanghai WEN HUI BAO
in Chinese 15 Oct 91 pp 1, 2

[Address by Shanghai Mayor Huang Ju at the second meeting of the International Entrepreneurs Conference to Counsel the Shanghai Mayor—14 October 1991]

[Text] Mr. Chairman, Ladies and Gentlemen:

First of all, I would like to thank Mr. Chairman for his ebullient speech.

The current meeting is the largest meeting with the widest range of topics of the International Entrepreneurs Conference to Counsel the Shanghai Mayor, as well as a meeting with the largest number of attendees from conference members since the conference was established. This shows that we have made new progress in the undertakings we are engaged in.

This new progress is evidenced by this fact: In the past one year and more since the last meeting, many conference members and their assistants, together with specialists and scholars from various countries, have conducted in-depth studies of Shanghai's financial industry, investment climate, high added-value industry, and other special topics concerning Shanghai. Their work has yielded very good results. They also have offered constructive opinions on the future development in these areas. During this meeting, we will hear various groups' summing-up reports.

This new progress is also evidenced by another fact: Over a period in the past, enterprises led by some members of this conference have established contacts with Shanghai regarding establishing economic and trade cooperation with Shanghai. Some of these enterprises have made substantive progress while some others are making further efforts to win a final success.

I think, besides the progress made by the conference itself, you may be more concerned about the new developments Shanghai has made in the past one year and more. I am happy to tell all of you that Shanghai's reform, opening, and development projects are being smoothly carried out; attention-catching changes have taken place in Shanghai's reforms, opening work, and economic construction:

—After it was discussed by all residents in Shanghai, and after it was revised and improved, Shanghai's housing system reform plan has been smoothly implemented

in the whole city since May this year; the plan will be implemented in suburban areas at the end of this year. Implementation of this plan indicates that Shanghai has made an important step forward in its housing commercialization efforts.

—Shanghai's financial reform, which everyone of you has shown concern for, has continued to make progress. Since April last year, a stock exchange center has been established, and approval has been given for the establishment of nine foreign-owned and Sino-foreign joint financial institutes in Shanghai. Currently, 11 foreign banks have set up branches in Shanghai, two Sino-foreign joint financial companies have been established, and 32 foreign financial institutes have established offices in Shanghai—Shanghai's contacts with the international financial industry now are wider and closer.

—Substantive progress has been made in developing Shanghai's Pudong area, another thing everyone has shown concern for. Construction in the three small key development areas—the Waigaoqiao Bonded Area, the Jinqiao Industrial Area, and the Lujiacui Financial and Trade Area—is being sped up; a number of China-funded and foreign-funded projects have begun in the areas. At the same time, the central government has strengthened leadership over the development in Pudong. Premier Li Peng has stressed several times that Shanghai's Pudong New Area and the Chang Jiang Delta are the center of China's opening in the coming decade. The State Council has decided to place development in Pudong under the direct management of the State Council's Special Economic Zones Office.

—As the Pudong New Area develops, Shanghai's investment climate has continued to improve—more areas are now available for investment, and its investment prospects are now more attractive.

Between January and September this year, foreign investment in Shanghai increased rapidly; approved direct investment projects increased 1.1 times over the previous year; agreement funds absorbed by Shanghai increased 48 percent over the same period last year. The general trend is increasingly better.

—Shanghai's urban construction also has quickened its step. The Nanpu Bridge will be opened to traffic one month from now. If you are interested, you may cross the Huangpu River over the bridge by car, leading you directly to the Pudong New Area. The second Yangpu Bridge will be completed in 1993, ahead of schedule. Construction of Shanghai's subway is also in full swing.

—This year, all sectors of Shanghai's economy have rebounded and grown steadily. From January to September this year, Shanghai's industrial production increased 12.7 percent over the same period last year; exports from port increased 10.5 percent; commodity sales increased 15 percent. Commodity supply was ample, business was active, prices were stable, and

people's livelihood improved in one way or another. Having conquered natural disasters, we expect to reap a good harvest of agricultural products this year.

All Shanghai's changes and development have been made amid China's political, economic, and social stability, showing that China's overall economic situation is continuing to improve, and we will continue to make new achievements in reform and opening to the outside world.

Of course we have also seen new difficulties and problems. At the same time, we realize that it is necessary to carry out reform to attain our objectives, and we firmly believe that we can deepen our reform and opening to the outside world. With the central authorities' support, we are preparing to promote Shanghai's reform and opening to the outside world with greater efforts, faster pace, and more effective measures. To do so, we will focus our attention on two respects. On the one hand, we will promote the development and opening of Pudong even more actively. On the other hand, we will take the opportunity of Pudong's development to accelerate the reform of large and medium state-owned enterprises.

Here, I would like to inform you ladies and gentlemen of Shanghai's latest concept on deepening the reform of large and medium state-owned enterprises. As you know, Shanghai is one of the localities where there is a concentration of large and medium state-owned enterprises. The large and medium enterprises account for 2.5 percent of the total number of industrial enterprises, but their output value and their tax and profit delivery to the state account for 50 percent and 60 percent of the total, respectively. Whether these enterprises can be invigorated or not will have a direct bearing on Shanghai's overall economic development; however, the majority of them still lack the kind of vigor they should have. To run these enterprises well, it is necessary to carry out a reform that is designed mainly to change their mechanisms. Such a reform roughly has four purposes. One is to straighten out the financial relations between the government and enterprises, put the relations on a more stable, standard, and open foundation of legislation, and create a development mechanism that prompts enterprises to strive for progress. Next is to straighten out the relationship between ownership and managerial authority. We should take certain measures to improve the management of state property, while ensuring that plant directors and managers have the full authority to handle the day-to-day production and other operational activities of their enterprises. The third purpose is to straighten out the operational relations between government and enterprises. The government should reduce its direct management of enterprise operation, push enterprises into the market, and cultivate a sense of competition among enterprises. The fourth purpose is to straighten out the relations between enterprises and their employees, carry out an internal reform of enterprises with the full-time workers' labor contract system and the working-skill wage system as its main contents, abolish the egalitarian practice of "everybody eating from the

same big pot" in enterprises, and create a motivation mechanism which can fully arouse workers' enthusiasm.

Of course, the task of invigorating large and medium enterprises will proceed on the basis of upholding socialism with Chinese characteristics and of upholding public ownership. To help enterprises compete in the market, it is very necessary for the government to help enterprises improve the external environment and to reform the social security system, the pricing system, and the government economic management practices. We plan to concentrate on this work and accomplish it in about five years. I believe that with the central authorities' leadership and support, with the efforts made by all quarters in Shanghai, and with your cooperation, Shanghai will certainly make new progresses in enterprise reform and other reforms.

It is necessary to point out that we emphasize reform of large and medium state-owned enterprises because they occupy a decisive position in China's national economic development. At the same time, we will continue to attach importance to the development of medium and small enterprises, continue to run well foreign-funded enterprises, and permit and encourage proper development of private economy. This is our basic principle. The 1990's will be a decade in which joint ventures, cooperative enterprises, and wholly foreign-owned enterprises will thrive. This meeting will listen to briefings on the development of medium and small enterprises, and will discuss this topic. I think that my colleagues will be interested in these briefings and discussions, and so will myself.

I believe that with our creative work and persistent efforts, an initial success will be achieved in the development of the New Pudong District of Shanghai, and our enterprises will begin to have vigor several years from now. By then, Shanghai, which is China's largest industrial and commercial city, will be even more full of vitality and be more attractive to both Chinese and foreign investors. By then, the Shanghai people will have even greater unity among themselves.

As the new mayor of Shanghai, I will devote myself to Shanghai's economic and social development. I am also concerned about how to give play to the city's comprehensive functions. For this reason, I am greatly interested in the main topic for discussion of this meeting—how to build Shanghai into a trade center, as well as a collecting and distributing center. I hope that Chinese and foreign delegates and experts attending this meeting will make a thorough and candid exploration of this question, and I put forward positive and feasible suggestions.

Yesterday, I quoted a Chinese saying, "an autumn fruit is the result of a spring flower." While we are gathering the fruit of the counselors' meeting, please allow me to mention particularly the contributions of Messrs Zhu Rongji and Wang Daohan, as well as Messrs (Greenburg), (Mairuiheng) and Jing Shuping. I also would like to thank all of you for your efforts. My colleagues and myself will continue to support actively and attach

importance to the activities of this meeting, and we will do all we can to provide you with the necessary conditions and conveniences. At the same time, I hope that you will, as always, support the meeting with your wisdom and influence, and work hard together to support Shanghai's economic development, reform, and opening to the outside world.

I wish this meeting great success.

Thank you.

NPC Group Inspects Education in Shanghai

*OW2410205091 Beijing XINHUA Domestic Service
in Chinese 0748 GMT 24 Oct 91*

[By reporter Luo Kangxiong (5012 1660 7160): "National People's Congress Inspection Group Inspects Implementation of the 'Compulsory Education Law' in Shanghai"—XINHUA headline]

[Text] Shanghai, 24 Oct (XINHUA)—After inspecting the implementation of the "Compulsory Education Law" in Shanghai, the National People's Congress [NPC] Inspection Group held: While implementing this law, Shanghai has kept an "enthusiastic mentality and adhered to the correct direction with abundant characteristics and vitality." The group hoped that Shanghai would fully implement the "advanced" strategic policy for education development and train more qualified personnel for Pudong's development and invigoration of Shanghai.

After arriving in Shanghai, the inspection group, led by Zhang Chengxian, vice chairman of the NPC Standing Committee Education, Science, Culture, and Public Health Committee, heard reports of the Shanghai Municipal People's Congress and the municipal government on the implementation of the "Compulsory Education Law." Afterward, the group went in two separate units to Chongming and Jiading Counties, and Huangpu and Jianan Districts to find out more details about the situation. They also held discussion meetings with deputies of the Shanghai Municipal People's Congress and primary and secondary school teachers.

Since the publication of the "Compulsory Education Law," Shanghai municipal governments at various levels have earnestly strengthened leadership and administration over compulsory education. At present, the school attendance rate for Shanghai's school-age children and juveniles has basically reached 100 percent. In 1990, the respective staying-on rates for junior middle school students and for primary school students were 99.72 and 99.98 percent, respectively. All special education programs for the blind, deaf, dumb, and slightly retarded children have also been included in the compulsory education system. In the past three years, annual increment on the funds for the whole municipality's general education programs was 17.9 percent, higher than the financial revenue increment rate. The municipality has newly built, expanded, or renovated more than 1,000 secondary and primary school buildings.

During the inspection, the NPC inspection group also discovered some problems and weak links: There have been situations where school buildings and land are encroached and teachers and staff have meted out corporal punishment to students. Some districts and counties have received insufficient education funds. There are inadequate successors to the contingent of teachers. Implementation of the education policy in an all-around manner has been adversely affected because special emphasis has been on education and intelligence, and students' workload has been too heavy.

Technology Markets Expanding in Shanghai

*OW2810021291 Beijing XINHUA in English
0156 GMT 28 Oct 91*

[Text] Shanghai, October 28 (XINHUA)—Along with the reforms in the science and technology sector, technology markets in Shanghai, China's largest metropolis, have witnessed a steady and persistent development over the past few years.

"The development of the city's technology markets has brought about social and economic benefits," said Jin Zhuqing, director of the municipal Commission on Science and Technology.

Since Shanghai's technology trade opened in 1984, the markets have handled transition of technical results worth a total of 3.6 billion yuan (about 700 million U.S. dollars), the official said.

Jin noted that the city has exported 450 million dollars-worth of technologies abroad since 1987, accounting for one fourth of the country's total.

Nowadays scientific and technological institutions in Shanghai are acquiring more funds and projects from the markets than from the state, which used to be their sole financial supporter and project client in the previous years.

The booming of the markets has consequently spurred the development of the city's science and technology, as in the past decade the number of research bodies has increased from 540 to the present 1,548 with a total staff of 860,000.

Since the early 1980s Shanghai has achieved over 20,000 key findings in science and technology, 21.2 percent of which have reached the world level while 63.5 percent lead the country, Jin said.

The director attributed the progress in this regard to the reforms in this sector, covering funding, management and more attention paid to the relationship between science and technology and the economy.

Li Zemin, Ge Hongsheng Address Work Meeting

OW2310063091 Hangzhou ZHEJIANG RIBAO
in Chinese 15 Oct 91 pp 1, 4

["Concentrate Efforts on Doing a Good Job in Successfully Running Large and Medium-Sized State Enterprises by Reaching a Common Understanding, Taking Comprehensive Measures To Improve the Economic Performance of Enterprises, and Working Vigorously To See to Their Implementation; the Provincial Party Committee Held a Work Meeting at Which Li Zemin Relays the Guidelines Adopted by the Central Government's Work Meeting and Ge Hongsheng Delivers a Report on Behalf of the Standing Committee of the Provincial Party Committee"]

[Excerpts] A work meeting held by the Zhejiang Provincial CPC Committee opened in Hangzhou on 14 October. The meeting will focus on the agenda of studying and implementing both the guidelines adopted by the central government's work meeting and how to do a good job in successfully running large and medium-sized state enterprises.

At yesterday's meeting, Li Zemin, provincial party committee secretary, relayed the guidelines adopted by the central government work meeting. Ge Hongsheng, deputy secretary of the provincial party committee and governor of Zhejiang, delivered a report entitled "Concentrate Efforts on Doing a Good Job in Successfully Running Large and Medium-Sized Enterprises by Reaching a Common Understanding, Taking Comprehensive Measures To Improve the Economic Performance of Enterprises, and Working Vigorously To See to Their Implementation."

In his report, Ge Hongsheng discussed the current economic situation in our province and the tentative ideas on the whole for next year's economic work; expounded the extreme importance and strategic significance of successfully running large and medium-sized state enterprises; and emphatically pointed out the four aspects of the work to carry out the policy of taking comprehensive measures to successfully run large and medium-sized enterprises.

1. Resolutely Shift the Major Points of the Task to Restructuring and Working To Increase Economic Returns

Restructuring and working to increase economic returns are measures designed to effect a permanent cure in our endeavor to successfully run large and medium-sized enterprises. One important reason for the lack of vitality now found in some enterprises is the irrational macro-economic structure. After the campaign to improve the economic environment and rectify the economic order was launched, all areas began paying attention to the problem and achieved successful results. However, viewed as a whole the work of restructuring is still merely in the beginning stage. Starting from next year, the economic improvement and rectification campaign as a specific phase in our economic work may come to an

end, and we are going to shift the major points of our economic work from achievement of an overall economic balance to restructuring and working to increase economic returns. Proceeding from the economic characteristics of Zhejiang, we'll continue to incline favorable treatment to the basic industries, parts of the infrastructure, and old enterprises' technical transformation; furthermore, we will focus on readjustment of the product mix, setup of production, and the organizational structure of enterprises in our next restructuring efforts.

It is necessary to reduce the production of oversupplied products, promote the production of undersupplied products, and resolutely readjust the product mix and industrial structure. In the market at present, the supply of good and marketable goods falls short of demand, while a considerable quantity of products sell sluggishly and become overstocked. We must be determined to readjust the product mix and industrial structure, and must resolutely close down those enterprises which engage in small-scale production with backward equipment, high consumption, and low economic efficiency as well as those which cause serious pollution. We must also stop the production of inferior products which are in excessive supply. Otherwise, it will be difficult to improve the economic environment as well as the relationship between supply and demand, and it will also be difficult to enhance economic efficiency and quality. [passage omitted]

Great efforts should be made to promote the readjustment of the organizational structure of enterprises and to develop enterprise groups and enterprise associations step by step in a planned manner. In the course of readjusting the product mix and industrial structure, we should encourage enterprise associations and mergers as well as the establishment of enterprise groups so that enterprises suffering difficulties will be able to overcome their difficulties, and successful enterprises will continue to grow and become even stronger. We should strive to improve the organizational structure of Zhejiang's enterprises; raise their level of specialized cooperation; gradually change the situation of being small and scattered and the situation of being small and all-embracing; form enterprise groups; and promote intensive operation [ji yue hua 7162 4766 0553]. Development of enterprise groups and enterprise associations will help rationally organize production factors, will help enterprises enhance their ability to develop themselves, and will give play to the overall benefit of a fairly large-scale operation. [passage omitted]

We should strive to turn money-losing enterprises into profitable ones and to solve problems confronting those enterprises which are in extremely difficult condition. To do this, we should first conduct investigations and studies to gain a clear idea of the actual situation and to completely expose problems concerning enterprises' losses, especially problems that are likely to cause losses. Second, based on special requirements of particular trades and enterprises, we should draw up individual plans for eliminating enterprises' deficits and thoroughly

carry out established problem-solving measures. Third, leading organs and responsible departments should organize task forces to be led by responsible comrades of the organs and departments, and to be stationed in money-losing enterprises in order to help them solve problems. These task forces should not leave an enterprise before all problem-solving measures are thoroughly carried out. [passage omitted]

Beginning with the clearing of debt chains between enterprises, we should speed up economic circulation. Unsettled debt chains and poor economic efficiency are two problems that affect each other. Basically, these problems mirror problems in enterprises' organizational structure. One of the main indications of whether an enterprise's economic structure is reasonable and whether its economic efficiency has improved is to see if its fund circulation is normal and if its economic circulation is smooth. Currently one of our pressing tasks is to continue to clear debt chain problems in order to speed up fund circulation and ensure normal economic functioning. This work should be carried out in conjunction with work on readjusting enterprises' organizational structure. Strictly following the plan laid down by the State Council and the provincial government, and starting from clearing arrears in fixed asset investment, we should be determined to reduce excess funds tied up by products and finished products we should also link our efforts to reduce these funds with our efforts to increase credits for technological transformation so that enterprises' technological transformation can be carried out more effectively.

Readjusting organizational structure and raising economic efficiency have something to do with changing one's way of thinking as well as with readjusting profit distribution. This is especially true in reducing oversupplied products and in scaling down enterprises producing these products. To shut down, to suspend the operations of or merge some poorly-managed enterprises, or to direct them to shift to producing goods that meet market demand is a matter that involves many things; it cannot be accomplished without strong determination and tough measures. To do this, we must simultaneously conduct ideological education; adopt economic means and administrative measures; stress the need to give primary consideration to the interest of the whole; and stress that all announced orders and regulations must be strictly observed. Things we do should be done decidedly and thoroughly. All practices and regulations designed to hide inefficiency should be decidedly abolished. Stern measures—including stopping loans and the supply of energy and raw and processed materials—should be taken against those who refuse to curb or stop production that are ordered to be curbed or stopped. Of course, we should do this cautiously and step by step; we should respect economic laws; we should try our best to use economic means and try to avoid sharp economic fluctuations and strong social shocks.

2. Strive To Promote Enterprises' Technological Advancement

Accelerating technological progress is an important means and material foundation for invigorating large and medium-size enterprises. All localities and enterprises should include technological progress—including technological transformation, technological development, technology import, and technical training—in their annual plans as well as their medium and long-range development plans; should take effective measures to carry out these plans; and should conduct periodical reviews and evaluations of their work.

We should undertake great efforts to ensure a good job in technological transformation. Since the beginning of this year, provincial and all local authorities have selected key technological transformation projects and have drawn up appropriate measures. Nearly everything is ready; the key now lies in implementing these measures. [passage omitted] We must pay attention to the scale of technology import and the use of foreign funds, as well as the quality of imported technology. The key to this should be to facilitate the transformation of old enterprises.

We should accelerate technological development. To a fairly large extent, enterprises' vitality depends on their ability to develop new technologies. All large and medium-size enterprises should attach importance to applying new technologies and developing new products in order to enable their products to better meet demands in domestic and overseas markets. Incentives are needed to develop new products. Enterprises should shore up their research forces and expand their cooperation with colleges and science research units. Colleges and science research units should encourage researchers to join forces with enterprise personnel in tackling key issues concerning production and business management so that they can do their bit in invigorating enterprises and the economy. In addition, we should protect patent rights and the labor results of scientists and engineers. We should develop and promote the use of high and new technologies, and should use these technologies to transform conventional industries and old enterprises in order to speed up the industrialization and commercialization of these technologies.

We should provide proper technical training to cadres and workers in enterprises. This training should focus on various grades of technical training and operational skills, according to workers' levels and positions. All workers using advanced equipment as well as those at key technical positions should undergo strict training and examinations, and should be allowed to work only after they receive certificates. Training for cadres should be conducted stage by stage and batch by batch, and we should gradually enable all cadres to receive training before they take up their posts. Factory directors (managers) of large and medium-size enterprises should receive training once every two years. Continued education should also be conducted among scientists and

technical workers to continue to renew their knowledge and to enable them to play a greater role in modernizing enterprises' technology.

A very important problem in promoting technological advancement and in carrying out enterprises' technological transformation, development, and training is to take various means to raise necessary funds.

To concentrate funds to support improvement of large and medium-size enterprises and to speed up construction of key projects, we should make efforts to improve tax collection and management; taxes due to be paid must be collected. In addition, we should strictly control financial expenditures.

3. Speed Up the Pace of Internal Reform Within Enterprises, and Change Their Operation Mechanism

To ensure the success of large and medium-sized enterprises, it is necessary to improve external conditions for them. However, the most important thing is still the efforts of the enterprises themselves. We should concentrate our work on fully motivating the enterprises and workers, changing the operation mechanism of enterprises, and tapping their internal potential.

We should uphold and perfect the contracted managerial responsibility system. The second round of contracting out the enterprises in Zhejiang is basically completed, but the task of perfecting the system is still very difficult. Viewed as a whole, the contract system is in line with the realities of economic development at present. However, the problems still remain of being responsible only for profits and not losses, of seeking quick returns, and of substituting management with contracting. We must conform to the demands of the central authority by keeping the advantages and abolishing the shortcomings, and by devoting our efforts to intensifying and perfecting the system.

We should keep a firm grasp on reform of the hiring, distribution, and personnel systems. Beginning next year, we should use approximately two years to focus our efforts on dealing with reform in these areas, and in accordance with the principle whereby workers can be hired and dismissed, incomes can be high and low, and cadres can be promoted and demoted. [passage omitted]

We should enforce strict discipline in factories and tighten management. Our socialist enterprises should have strict discipline, a tight system, a rigorous workstyle and strict management. This does not contradict democratic management. [passage omitted]

We should strengthen leadership within enterprises. The latest central work conference has clearly defined the leadership structure of enterprises: to fully exert the political and core role of party organizations; to uphold and perfect the system of factory director assuming full responsibility; and to rely wholeheartedly on the working class. [passage omitted]

We should strengthen ideological and political work and rely wholeheartedly on the working class. This is a political advantage found in our socialist enterprises. [passage omitted]

4. Change the Function of Government, Promote the Necessary Reforms, and Provide Coordinating Services

While large and medium-sized enterprises must rely on their own efforts in order to increase their vigor and improve their economic efficiency, we must continue to improve the external conditions for them. The two aspects are interacting, and governments at all levels must do their best to provide services for the enterprises.

We should uphold the separation of administrative and business duties, and must delegate further the various decision-making powers of enterprises. We must gradually straighten out the relationship between governments and enterprises and separate the duties of administration from business. The government should control only what is necessary, delegate the rest of the power to enterprises, and reduce administrative interference to the minimum. [passage omitted]

We should improve and strengthen macrocontrol and introduce the necessary reforms in all areas. [passage omitted]

We should cultivate and develop markets and further stimulate the circulation of commodities. [passage omitted]

We should gradually establish the social security system and reform the public medical service and housing system. [passage omitted]

We should reduce the amount of red tape, curb the imposition of indiscriminate levies and fines, reduce the burden of enterprises, and improve administrative efficiency. [passage omitted]

Before ending his report, Ge Hongsheng stressed: Party committees and governments at all levels must place the successful management of large and medium-sized enterprises on their agenda. They must indeed assume their responsibility, devote their energy to tackle the issue, and strengthen leadership to ensure that the measures are put into effect.

Leaders View Overlapping Firms

OW1910014191 Beijing XINHUA Domestic Service
in Chinese 0441 GMT 18 Oct 91

[By reporter Liu Guanghui (0491 0342 6540)]

[Text] Hangzhou, 18 Oct (XINHUA)—On the afternoon of 16 October a work meeting of the Zhejiang Provincial CPC Committee was in session. Party Secretary Li Zemin, who just finished making his summing-up report and was ready to take up his fountain pen and notebook and leave, was waiting for Ge Hongsheng, deputy party secretary and governor, to declare the meeting over. On the contrary, Ge Hongsheng took this opportunity to tell the following story: "According to comrades from the

party committee of Huzhou city, two small silk factories were built there. Since the function of both factories overlapped with those of larger ones, the city authorities decided to shut them down. Cadres of the district and township where these factories were located had their feelings hurt; all of them shed tears when the factories were closed."

Silence overcame the meeting.

The governor, who is also in charge of economic affairs, continued: "It was quite natural for them to shed tears, considering that they had to close down these factories which they had built with their own hard work. However, if we do not shut down these uncompetitive factories, how can we readjust the product mix and industrial structure? Those tears were lessons for them!" Li Zemin cut in and said: "The tears they shed today will help them avoid repeating the same mistake tomorrow."

A burst of laughter endorsing his view echoed throughout the meeting hall. At this meeting, many comrades said that small and overlapping silk, petrochemical fiber, and textile plants are being built in some localities. Ge Hongsheng severely criticized this phenomenon at the meeting: Giving wrong orders will mess things up. If leaders are found doing things this manner, their jobs will be suspended. These kinds of overlapping factories will be forced to close down. The governor's remark caused a great repercussion at the meeting.

Before the meeting came to an end, Ge Hongsheng repeated his warning: "We have talked about readjusting product mix and industrial structures for a long time. Now is the time for action. We must see things as a whole. We should invigorate those factories that need to be invigorated, and we should close down those that need to be closed down, even with tears!"

Work Meeting Concludes

OW2010150991 Hangzhou Zhejiang People's Radio
Network in Mandarin 1000 GMT 17 Oct 91

[From the "Provincial Hookup" program]

[Text] A three-day work meeting sponsored by the Zhejiang Provincial CPC Committee ended in Hangzhou 16 October.

Comrades at the meeting conscientiously studied documents of the work meeting of the CPC Central Committee. They also discussed and reviewed problems of invigorating large and medium-sized enterprises while taking into consideration the real situation in our province. As a result, a unity of thinking and common understanding was reached.

At the end of the meeting, Secretary Li Zemin made a summing-up speech. Present at the meeting were Ge Hongsheng, Liu Feng, Wang Qichao, Sun Jiaxian, Liu Xirong, and other leaders.

Li Zemin said: It is not only a major economic issue but also a serious political issue to do a good job in running

state-owned large and medium-sized enterprises. It is imperative for us to conscientiously study and have a profound understanding of the guiding spirit of the work meeting of the CPC Central Committee so as to fully appreciate the importance, urgency, and arduousness of running state-owned large and medium-sized enterprises well. It is of particular significance to manage large and medium-sized enterprises in light of the real situation in our province. Leaders at all levels, and those of enterprises in particular, should carry out their work of running large and medium-sized enterprises well with enforced confidence and determination.

Li Zemin continued: An economic development strategy conducive to laying a sound foundation, promoting economic level, and enhancing economic performance will be implemented in our province. It becomes even more important to do a good job in running large and medium-sized enterprises when we try to switch our attention from the growth of economic quantity emphasized in the 1980's to the promotion of economic quality emphasized in the 1990's. We must lose no time in making a determination on the early implementation of the transformation. We must take the initiative in carrying out this strategy in our work of running large and medium-sized enterprises well. First, we must cultivate an idea of integrating economic growth rate with economic results and focus our economic work on readjusting economic structure and promoting economic performance. Second, we must consider science and technology as the primary productive forces and spare no efforts in promoting technological progress. Third, we must pay equal attention to economic growth and the staying power of economic development and correctly handle relations between accumulation and consumption.

Li Zemin stressed: The key to developing the economy and invigorating enterprises, in particular large and medium-sized enterprises, lies in reform. We must rely on reform when we try to emphasize macroeconomic control, straighten out economic relations, establish an operative mechanism integrating a planned economy with market regulation, and create a better external environment favorable to running large and medium-sized enterprises well. We also must rely on reform if we want to resolve problems like creating an inner mechanism full of vitality for some large and medium-sized enterprises which have low economic performances, poor vitality, and insufficient staying economic development power. We must further improve our sense of reform by doing away with superstitions and changing our attitudes. Only by deepening reform; doing a good job in running large and medium-sized enterprises; promoting sustained, stable, and coordinated development of the national economy; and enhancing overall national strength can we strengthen our power to fight against peaceful evolution, promote the people's living standards, and lay a solid material foundation for maintaining political and social stability.

In the final part of his speech, Li Zemin stressed: The key to doing a good job in running large and medium-sized enterprises lies in conscientiously strengthening leadership.

First, it is necessary for major leaders of party committees and governments at all levels to pay attention to this matter. They must focus on improving ideology, methods, work style, and leadership. Leading comrades in party committees and governments at all levels should conscientiously study and have a profound understanding of Comrade Jiang Zemin's 1 July speech and the guiding spirit of the work meeting of the CPC Central Committee so as to comprehensively and accurately implement the party's basic line by persistently adhering to the goal of economic development. All other tasks must be subordinated to and must serve this central mission so as to ensure its achievement. We should never waver in our determination to develop the economy, deepen reform, and open up wider to the outside world. We should be good at integrating the party's line, principle, and policy with the real situation in our own localities and departments so as to conduct our work creatively.

Second, we should bring into play our political advantages to continuously increase the cohesive force of enterprises. At present, we should pay attention to the following two aspects:

First, we must straighten out the leadership structure inside enterprises. To achieve this, we must rely on the party spirit and the system as a guarantee. When it comes to the party spirit, those who are in charge of party affairs of enterprises as well as those who are in charge of business affairs are all required to have it. We should improve our party spirit, enhance ideological and political quality, and firmly establish the party's idea by relying on the working class wholeheartedly, by increasing renovation, and by disciplining ourselves with the principle of integrity. It is necessary for us to play the role of grass-roots party organizations as combat bastions and the vanguard model role of party members. We should pay attention to construction at team and group levels.

Secondly, we should pay attention to education of socialist ideology in enterprises. The major content of our education of socialist ideology in enterprises should focus on the 1 July speech made by Comrade Jiang Zemin. By integrating the speech with the guiding spirit of the work meeting of the CPC Central Committee, we will conduct an education campaign to consolidate our faith in socialism; an education on the guiding principle, goal, and mission of our economic work; as well as an education on running enterprises well, particularly large and medium-sized enterprises. We must conduct an education of wholeheartedly relying on the working class to manage socialist enterprises well. We must develop and enlarge the socialist ownership system by boosting morale, consolidating faith, mobilizing the broad masses of staff members and workers to dedicate themselves to the cause of deepening reform in enterprises and of invigorating enterprises, particularly large and medium-sized enterprises. It is necessary to take it as a major task to educate the leading groups of party members and cadres. We should pay attention to education in large and medium-sized enterprises. We should tailor our efforts to suit different situations of various enterprises. After investigation and study, all localities must put

forward, in accordance with the requirements of the CPC Central Committee and the planning of the provincial party committee, an overall program that conforms to local conditions for invigorating large and medium-sized enterprises and major backbone enterprises. We must provide suitable guidance for various trades and enterprises. We must even prescribe special formulas for some particular enterprises that suffer from special problems. We shall never treat various problems with the same approach.

Invigorating large and medium enterprises are not just a duty for party committees and governments. Our departments in charge of overall economic affairs, supervision, law, and discipline enforcement, as well as public opinion and propaganda all share their responsibility. They must work together in a concerted effort to help do a good job in running large and medium-sized enterprises. Our leaders at all levels must be devoted to and responsible for their work. We should achieve success in invigorating large and medium-sized enterprises during the Eighth Five-Year Plan.

About 200 people were present at this meeting, including leaders from provincial advisory committees, the provincial People's Congress Standing Committee, provincial government, and the provincial CPPCC Committee; as well as secretaries, mayors, directors, factory managers of various cities, prefectures, provincial departments, offices, bureaus, and enterprises run by the province and ministries.

Li Zemin Meets Hong Kong, Macao Deputies

OW1910173591 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 19 Oct 91

[From the "Provincial Hookup" program]

[Text] A fact-finding delegation of National People's Congress [NPC] deputies from Hong Kong and Macao successfully wrapped up their inspection mission after 11 days of fact-finding activities in our province. Li Zemin, secretary of the provincial party committee; Chen Anyu, chairman of the provincial People's Congress Standing Committee; Wang Qidong and Yang Bin, vice chairmen of the provincial People's Congress Standing Committee; Governor Ge Hongsheng; Vice Governor Chai Songyue; and responsible persons from pertinent departments today listened to the delegation's opinions and suggestions.

The delegation inspected industry, agriculture, fisheries, and tourism in Hangzhou, Wenzhou, Ningbo, and Zhoushan, and was briefed by the Jiaxing City Government on flood fighting and relief operations. Members of the delegation spoke highly and positively of Zhejiang's economic construction and development in the wake of reform and opening as well as the ongoing flood fighting and relief operations. They also offered excellent opinions and suggestions to correct shortcomings.

The deputies said emphatically: We should stress the construction of socialist spiritual civilization and the intensification of education on patriotism; continue to steadfastly implement the party's principles on reform and opening; and quicken the pace of opening to the outside world. In developing the economy in the future, we should beef up transport and energy facilities, tighten enterprise management, and improve product quality. We should emphasize development in tourism and improve the management of scenic spots and tourist attractions. We should also conduct technical and vocational training among young workers to raise their educational levels, strengthen land administration, step up environmental protection, and enhance external propaganda and liaison efforts so that more compatriots from Hong Kong and Macao and more Overseas Chinese will contribute to Zhejiang's economic prosperity.

Li Zemin and Ge Hongsheng spoke after listening to the Hong Kong and Macao deputies' opinions and suggestions. On behalf of the provincial party committee and the provincial government, they thanked the NPC deputies from Hong Kong and Macao for their tireless inspection of our province and for their sincere, frank, and valuable opinions on our work. The two pledged to seriously study the opinions to improve their work. They said: Zhejiang owes its development in recent years to reform, opening, and the support of compatriots in Hong Kong and Macao. Reform and opening are the trend of the times and the will of the people. People across the province will continue to uphold the party's fundamental line of one central task and two basic points and will resolutely take the road of socialism with Chinese characteristics.

The delegation left our province for an inspection trip to Shanghai after visiting disaster areas in Jiashan County this afternoon.

Attends Provincial CYL Congress

OW2710211991 Hangzhou Zhejiang People's Radio
Network in Mandarin 1000 GMT 27 Oct 91

[Text] Zhejiang's Ninth Communist Youth League [CYL] Congress opened solemnly in Hangzhou today. Provincial party, government, and military leaders, including Li Zemin, Wang Qichao, Xu Yongqing, (Wang Yaoting), Yang Bin, Chai Songyue, and Shang Jingcai, offered their congratulations at the congress.

Today's congress was attended by 593 delegates. They came from all fronts and trades across the province, representing its 212 CYL members. [as heard]

Mao Linsheng, secretary of the provincial CYL Committee, delivered a work report entitled "Work Hard with Enhanced Confidence and a Pioneering Spirit and Dedicate Ourselves to Realizing Zhejiang's Eighth Five-Year Plan" on behalf of the provincial CYL Committee. On behalf of the provincial party committee, Wang Qichao, deputy secretary of the Zhejiang provincial party committee, extended warm congratulations to the

congress and cordial regards to the delegates, young workers, and young people on all fronts in the province.

Wang Qichao said: In the past five years the masses of young people in our province have firmly stood by the party in the arduous work of economic construction or in the process of making explorations in connection with reform and opening to the outside world. With their conscious dedication and desire to make progress, they have made important contributions to the building of the two civilizations in our province. CYL organizations in our province have conscientiously implemented the party's basic line; energetically guided CYL members and other young people in their education and study of politics, science, and technology; organized CYL members and other young people to launch new Long March activities to create new shock brigade members; and paid attention to CYL building and achieved marked results in improving the grass-roots organizations, thus enhancing their role as the party's assistants and reserves. The provincial party committee is satisfied with the work of the CYL committee.

Wang Qichao pointed out: In carrying out work on young people in our province in the next five years, we should make Jiang Zemin's 1 July speech our guide and unswervingly implement the party's basic line. Under the leadership of the party we should concentrate on our province's 10-Year Program and Eighth Five-Year Plan, unite and lead the masses of CYL members and other young people in the province to plunge themselves into the socialist modernization drive and the cause of reform and opening to the outside world, and in the course of practice train successors to the socialist cause who have ideals and moral integrity and who are educated and well disciplined.

Wang Qichao emphatically pointed out: Recognizing the strategic importance of training tens of millions of successors to the cause of the proletarian revolution, we should enhance our sense of historical responsibility and sense of urgency for doing our work on young people well, and do our utmost to train the young people of this generation into century-straddling successors to our future cause. We should regard the strengthening of political and ideological education among young people as the primary task of CYL organizations. In strengthening ideological education among young people, we must emphasize the basic theories of Marxism and education on the party's basic line. At the same time, we should also guide and organize young people to study hard to raise their educational level and acquire scientific and technological knowledge. We should comprehensively mobilize and organize young people to vigorously plunge themselves into the great practice of socialist modernization drive, so as to enable them to acquire skills and make contributions in the course of practice. We should strengthen the building of cadre contingents at basic CYL organizations and also strengthen the party's leadership over the CYL.

Zhao Jingtang, chairman of the provincial Trade Union Council, extended warm congratulations to the congress

on behalf of the provincial Trade Union Council, provincial Women's Federation, provincial Science and Technology Association, provincial Federation of Literary and Art Circles, and provincial Federation of Returned Overseas Chinese.

The Central Committee of the Communist Youth League sent a congratulatory telegram to the congress.

Ge Hongsheng Speaks With Journalists

OW2010140491 Hangzhou Zhejiang People's Radio
Network in Mandarin 1000 GMT 17 Oct 91

[From the "Provincial Hookup" program]

[Text] Governor Ge Hongsheng and responsible persons from six state-run large and medium-scale enterprises today held discussions with comrades from the editorial department of XINHUA-sponsored JINGJI CANKAO BAO on ways to implement the guidelines of the Central Committee's work conference and to improve state-run large and medium-scale enterprises.

Ge Hongsheng first expressed his thanks to JINGJI CANKAO BAO for its concern about Zhejiang's reform, opening, and economic development over the years. He said: We should tackle three tasks in our quest to improve state-run large and medium-sized enterprises. First, we should improve our understanding, build confidence, view this quest as our glorious historic mission, and foster a strong sense of responsibility. Second, we should understand the complexity of the task of invigorating state-run large and medium-sized enterprises, expend arduous efforts, and tackle problems in all fields comprehensively. Third, we should stress implemenatal efforts, focus on achieving breakthroughs in solving certain knotty problems, and seek substantial progress. The drive to invigorate state-run large and medium-sized enterprises is full of promise as long as we perform our jobs efficiently and motivate the broad ranks of cadres, workers, and staff members in enterprises.

Responsible persons from Quzhou Chemical Industrial Company, Zhenhai Petrochemical General Factory, Hangzhou Iron and Steel Plant, Hangzhou Glass General Factory, Hangzhou Rubber General Factory, and Hangzhou Refrigerator General Factory spoke at the discussions. They said: The policy decision adopted by the party and government to invigorate large and medium-sized enterprises has created quite favorable conditions for us in all spheres. The external environment has improved significantly. The next development will depend on how our enterprises exploit their internal factors. Propelled by both motive forces and pressures, we should build up confidence, fire up our spirits, convert our pressures into courage and our motive forces into reserve energy, work in concert, pool our wisdom and strength together, and loudly play the symphony on the improvement of state-run large and medium-sized enterprises around the main melody of deepening the reform and opening drive.

Toward the end of the discussions, (Zhou Jianying), editor-in-chief of JINGJI CANKAO BAO, said: As in the past, XINHUA-sponsored JINGJI CANKAO BAO will publicize the reform and open policies and serve the goals of improving state-run large and medium-sized enterprises, of reporting on exemplary cases, and of disseminating relevant experiences and information.

Relevant leading comrades from Zhejiang Province and Hangzhou city and responsible persons from XINHUA's Zhejiang branch attended the discussions.

Ningbo Establishes Overseas Exchange Association

OW2510164791 Beijing XINHUA in English
1359 GMT 25 Oct 91

[Text] Ningbo, October 25 (XINHUA)—The Ningbo Overseas Exchange Association (NOEA) was founded today as part of the city's efforts to foster relations with Overseas Chinese.

According to its charter, the association is a people-to-people body to spur economic, scientific and cultural exchanges between Ningbo people and Overseas Chinese.

Ningbo is the ancestral home for tens of thousands of Overseas Chinese. In the past few years, many of them have come to invest in the city and made remarkable contributions to the development of the local economy and culture.

Some 140 people from Hong Kong, Japan, the United States, Singapore, Germany and Italy attended today's inauguration ceremony of the association.

Zhejiang To Open Largest Foreign Funded Firm

OW2410142391 Beijing XINHUA in English
1353 GMT 24 Oct 91

[Text] Ningbo, October 24 (XINHUA)—The State Ministry of Foreign Economic Relations and Trade has approved the establishment of the largest foreign funded enterprise in Zhejiang Province.

A ceremony was held here today for the issuing of the approval certificate.

The Ningbo Beston Petrochemical Company Ltd, a solely funded venture of the Beston Petrochemical Co. Ltd. (Hong Kong) of Chia Tai Co., Ltd. of Thailand, has registered capital of 11.25 million U.S. dollars. Investment for the new petrochemical enterprise is expected to exceed 93.73 million U.S. dollars.

The new enterprise will be located in the city's Beilun Harbor Industrial Zone, one of the province's three major development zones. It is projected that when completed, the enterprise will produce over 120,000 tons of polyvinyl chloride powder annually.

Chen Zheliang, Ningbo city vice mayor, said that the city is considering the development of a number of subsidiary enterprises related to the production of petrochemicals. According to Chen, such enterprises offer an even greater promise of increased investment opportunities.

Since it opened to the outside world in 1984, Ningbo city has improved its basic facilities and adopted a series of favorable policies designed to attract foreign investments. Since that time, Beilun Harbor has increased its handling capacity to over 10 million tons, thereby making it one of the country's largest ports. In addition, the construction of a new airport was completed in the city in June 1990.

At the same time, the city has adopted policies which offer tax exemptions to export oriented foreign funded enterprises. The city also offers full tax exemptions for foreign entrepreneurs who will reinvest in the city's high-technology industries.

Central-South Region

Guangdong Launches Anti-Prostitution Drive

HK2810015891 Beijing CHINA DAILY in English
28 Oct 91 p 3

[Report: "Crack Down on Prostitution"]

[Text] A massive operation is underway in the whole of Guangdong Province to crack down on prostitution, according to Nanfang Daily [NANFANG RIBAO].

Over the weekend, the provincial government convened a telephone meeting of the whole province to tighten up on prostitution.

Co-operative efforts will be made in the main cities, traffic routes, tourist areas and small towns where prostitution is known to have become a serious problem. They will concentrate on coastal open cities like Guangzhou, Shenzhen, Zhuhai, Huizhou, Dongguan, Foshan, Jiangmen, Zhongshan and other areas in Zhujiang Triangle.

Ling Botang, deputy governor of the province, said at the conference that Guangdong is determined to bring prostitution activities under control in three to five years.

The drive is being started just before the First World's Championship for Women's Football which will be held in Guangzhou and other cities in mid-November.

Some 1,774 prostitutes from 391 gangs were arrested and 827 brothels destroyed.

Hotels, recreation centres, barber's shops, beauty shops and bars were investigated and police closed 472 of them, took away 284 business licenses and banned 3,935 to stop business and reorganize their activities within a limited period.

Daya Bay Economic Development Symposium Held

HK2610083091 Guangzhou Guangdong People's Radio
Network in Mandarin 0400 GMT 26 Oct 91

[Text] According to a NANFANG RIBAO report, at a symposium on the economic development strategy for Daya Bay, which concluded in Huizhou yesterday, Chinese People's Political Consultative Conference [CPPCC] members, experts, and scholars from Guangdong unanimously agreed that, with the arrival of the 1990's, Guangdong should regard the development and construction of Daya Bay as a breakthrough point in its efforts to push its economy onto a new stage.

Wu Nansheng, provincial CPPCC chairman, and former Vice Governor Fang Pu attended and addressed the meeting.

Participants said: The plan to build large-scale heavy industrial and chemical bases, involving petrochemical and motor vehicle production, in the Daya Bay Project Zone of Huizhou city, thus turning it into a technology and capital-intensive modern economic zone, complies with the targets set in Guangdong's Eighth Five-Year Plan and 10-Year Program, which require Guangdong to build five major pillar industries during these periods. The exploration and construction of Daya Bay will not only give great impetus to Guangdong's readjustment and optimization of its industrial structure but will also nurture the economic development of Guangdong's neighboring areas.

Participants also held discussions on issues concerning the economic operational mechanism of the future Daya Bay Project Zone.

Guangxi Drive To Combat Drugs, Prostitution

HK2310031091 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 19 Oct 91

[Excerpt] When examining and discussing issues such as eradicating drug addiction and trafficking, eliminating prostitution, and cracking down on abduction and trafficking in women and children, the 25th standing committee session of the seventh regional people's congress fully reaffirmed the results achieved in eradicating drug addiction and trafficking.

The meeting held: At present, drugs are spreading in Guangxi, and the criminal activities of prostitution and the abduction and sale of women and children are still growing. Such criminal activities have seriously affected the general mood of society, impaired people's health, and disturbed public order and stability. Now it is time for us to simply make up our mind and eliminate these activities.

Vice Chairman Jin Baosheng said: We should not only regard the spread of drugs, prostitution, and abduction and sale of women and children as the activities of evil elements, but should also link these activities with the peaceful evolution attempt harbored by foreign countries, and with class struggles both at home and abroad.

This is a significant issue which has a bearing on the Chinese nation's prosperity or decline. To make a success of work in this field, it is not enough to rely on public security organs alone. We should strengthen leadership, mobilize the masses, carry out mass prevention and control, and bring such matters into the legal orbit. [passage omitted]

Hou Zongbin Views Drought, Wheat Harvest

HK2810141891 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 23 Oct 91

[Excerpt] While conducting investigations in Zhoukou Prefecture, Hou Zongbin, provincial party committee secretary, stressed: We must try our best to grow wheat in quantity and quality instead of depending on the weather and waiting for rain.

On 22-23 October, Secretary Hou Zongbin and his party went to (Taoli), (Jiuyuan), (Yubiao), and (Lianshi) townships or towns in Fugou and Shangshui Counties. They went right to the fields to find out about the state of drought and how the peasants overcame drought to grow wheat.

They listened to reports by (Wang Mingyi), secretary of the Zhoukou Prefectural CPC Committee, and (Yun Xiangqi), commissioner of the prefecture. Recently, the Zhoukou Prefecture leadership amassed forces to overcome drought and grow wheat. So far, the area sown with wheat totals 4.7 million mu and the area sown with drought-resistant [words indistinct] 3.5 million mu. Comrade Hou Zongbin expressed satisfaction with these results. He said: The central task for the present is combating drought to grow wheat. We must be mentally prepared to fight drought and wrest a bumper harvest. Fighting drought to grow wheat can serve to enhance our awareness of natural disasters as well as strengthen [words indistinct], urge various departments to improve their services, and improve the cadres' work style. At present, when we are experiencing a serious drought, we must do a good job in combating the drought to grow wheat. Everything must accord with and serve combating drought to grow wheat. The other work at the grass-roots level must make way for combating drought to grow wheat.

While holding a discussion with cadres of (Jiuyuan) town, Hou Zongbin said: We have failed to get expected rainfall twice. We cannot wait any longer. We must try our best to combat drought to grow wheat. Efforts should be made to bring out everyone's strength to do a good job in growing wheat.

Comrade Hou Zongbin pointed out: Agricultural production, which is different than industrial production, is seasonal. If we are late in growing wheat, we will have reduced production. All localities across the province must grow wheat against time, trying in every way to grow wheat in quantity and quality by 14 November. [passage omitted]

Inspects Gourmet Powder Factory

HK2910065391 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 26 Oct 91

[Text] During his fact-finding mission to the Zhoukou Prefecture Gourmet Powder Factory on 24 October, Hou Zongbin, provincial CPC secretary, praised the gourmet powder factory [words indistinct].

He said: With an annual output of 40,000 tonnes, the Zhoukou Gourmet Powder Factory ranks first in China in gourmet powder production. Adopting a rolling snowball type strategy and [words indistinct], you have managed to start, put into production, and attain economic returns from every extension project, all in the same year. This experience is very useful. During the Eighth Five-Year Plan, we should consolidate, promote, and obtain economic returns from the foundation laid during the Seventh Five-Year Plan.

Factory Director (Bing Huaiqing) delivered a work report on how the gourmet powder factory gave impetus to the development of power plants, chemical fertilizer factories, [words indistinct] factories, and integrated gourmet powder factories such as (Fugu) and (Taikang); rendered support to agricultural production; and promoted such undertakings as urban construction, culture and education, and public health. After listening to the report, Hou Zongbin said: This gourmet powder factory is a starter which spurs on [words indistinct] industry, township and town enterprises, agriculture, and other undertakings. Profits and taxes from the gourmet powder factory during the Eighth Five-Year Plan are estimated at 800-900 million yuan. After submitting 400 million yuan of its profits and taxes to the county's financial departments, the factory can still retain 400 million yuan for further development. The Lianhua Group can also run other industries so as to add new varieties under the Lianhua Brand. The group can try to open up businesses in such fields as medicine, food processing, and fish breeding.

National CPPCC Group Inspects Hunan

HK2810121491 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 23 Oct 91

[Text] After concluding their 10-day inspection of Hunan, 20-odd members of the national Chinese People's Political Consultative Conference [CPPCC] committee held a meeting with leaders of the provincial party committee, government, and CPPCC yesterday afternoon, to convey their impressions and forward many important opinions.

Responsible members of the provincial party committee, government, and CPPCC Sun Wensheng, Liu Zheng, Dong Zhiwen, Tong Ying, Zhang Deren, and others attended the meeting.

National CPPCC inspection group members said that they came to Hunan mainly to investigate agricultural production. They have been to Changsha and Yueyang. They said, Hunan is deservedly a leading agricultural province and has greatly contributed to providing commodity grain for the country. In Hunan, the amount of

land per capita is only 8 fen, but the province managed to feed its 60 million people and to allocate other areas over 3 billion jin of grain and several million live pigs. The province had a fairly good agricultural harvest this year despite serious natural disasters. The inspection group was overjoyed with this. This shows the provincial leadership and cadres at all levels provided effective guidance in the struggle against natural disasters and kept relevant policies stable.

The inspection group agreed that the provincial leadership is gradually increasing input in agricultural production and has worked hard to improve the overall production capacity of agriculture. Hunan's water conservancy projects are roughly in shape, which can be seen from the Shaoshan irrigation area and the Tieshan Reservoir, and the farmland has been leveled to a certain extent. As a result, there have been few ups and downs in agricultural production and a solid foundation has been laid for long-term steady development.

National CPPCC fact-finding mission members also advanced valuable proposals on future work. They said: In the future, Hunan should continue to solve the following problems, which it shares with other provinces and cities: the peasants fail to have their incomes increased despite increased production; the government's input in agricultural production falls short of the specified mark; the peasants carry an excessive burden; and the comparative earnings of agriculture are lower than expected. On top of that, Hunan authorities should shift their stress from quantity to quality of agricultural production. It is necessary to improve the efficiency of agricultural production and to change traditional agriculture to modern agriculture and intensive cultivation to [words indistinct]. Again, they must deepen rural reforms. While stabilizing the system of contracted responsibilities on the household basis with remuneration linked to output, they should improve the dual management that combines household and collective operations. Efforts should be made to develop the socialized service system in rural areas, enliven circulation of agricultural and sideline products, and strengthen the collective economy.

While talking about increasing the peasants' incomes, inspection group members said: Hunan peasants' income is more than 10 percent lower than the national average. Therefore, while promoting developmental agriculture in a big way, it is necessary to lighten the peasants' burden. Hunan created useful experience in this respect before, so inspection group members hoped it will provide more in the future.

Southwest Region

Activities of Sichuan's Yang Rudai Reported

Attends Rural Work Conference

HK2210080891 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 15 Oct 91

[Text] The five-day provincial rural work conference concluded in Chengdu yesterday [15 October].

The conference, which was convened jointly by the provincial party committee and government, issued a call to all its deputies to earnestly strengthen leadership over rural work, further accelerate and step up agricultural development as a basic industry, and strive to reap a good agricultural harvest next year as well as open up new vistas for rural work.

Governor Zhang Haoruo presided over yesterday afternoon's meeting.

Yang Rudai, provincial party committee secretary, made a summary speech in which he pointed out: Our province is a big province with a population of 100 million. In order to ensure a sustained, steady, and coordinated provincial national economic development, we must possess a reliable agricultural basis, constantly bear in mind our basic provincial conditions, keep sober-minded, make a correct analysis and assessment of the situation, and strive to ensure a sustained and steady development of our provincial agriculture and rural economy.

Yang Rudai said: In order to develop rural economy, we must stabilize rural policies, especially the system of contracted responsibilities on the household basis with remuneration linked to output, which should be taken as a basic system to be implemented for a long time and perfected on a constant basis in the rural areas. In developing the collective economy, we must proceed from actual conditions, gradually press ahead, develop a reform and pioneering spirit, and orient work to implement the system of contracted responsibilities on the household basis with remuneration linked to output.

On persistently furthering in-depth socialist ideological education in the rural areas, Yang Rudai said: Furthering in-depth socialist ideological education is of far-reaching significance to heightening socialist consciousness among cadres and masses, promoting two civilizations building in the rural areas, and consolidating the socialist system. Leaders at all levels must heighten understanding of, closely organize, meticulously guide, and conscientiously grasp this work.

In his summary speech, Yang Rudai stressed the importance of further implementing the strategy of promoting agricultural development by virtue of science and technology and called on leaders at all levels to strengthen leadership and organization at corresponding levels, promote agricultural development by dint of science and technology, and greatly raise resource utilization rate, labor productivity, and input-output rate in order to increase economic results.

Yang Rudai finally pointed out: Principal leaders at prefectural and county levels must devote most of their energies and efforts to agricultural development and must brace up, seek truth from facts, and strive to raise rural work to a new level.

The conference summed up the successful experiences of our province's agricultural production and rural work over the past few years; analyzed the current rural situation; and

studied and made arrangements for agricultural, animal husbandry, as well as other types of work.

The conference endorsed a provincial government decision on further promoting township and town enterprise development.

Addresses Party Standing Committee

*HK2310084091 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 16 Oct 91*

[Excerpts] At a provincial party committee standing committee meeting convened in Chengdu yesterday [16 October], Yang Rudai, secretary of the Sichuan Provincial CPC Committee, stressed: In carrying out party-style and clean-government building, it is necessary to heighten ideological understanding, focus on leading cadres and leading organs, and strengthen practical work.

The meeting was called to hear and study our provincial party-style and clean-government building work.

The responsible comrades of the leading group in charge of clean-government building work under the provincial party committee and government reported our provincial situation regarding party-style and clean-government-building work, work of terminating discriminate charges, fines, and apportionments, and work of rectifying malpractices over the past year or so.

Yang Rudai, Zhang Haoruo, Li Boyong, Nie Ronggui, Song Baorui, Xu Shiqun, and some other comrades delivered speeches. [passage omitted]

In his speech, Comrade Yang Rudai first called for heightening ideological understanding, especially ideological understanding among leading cadres and leading organs. The work of rectifying newspapers and periodicals must first start with provincial party committee organs and other provincial organs. Government leaders as well as leaders of various departments and units at all levels must practically undertake responsibilities for their own units, exercise effective leadership within their own units, and improve their personnel management. Second, it is necessary to step up implementation. Regarding certain new questions or even some unclarified questions, relevant provincial departments must carry out prompt investigation and study and put forward feasible and realistic opinions [passage omitted]. Third, it is necessary to establish and perfect a supervision mechanism and enable the broad masses of people to exercise supervision. Fourth, it is necessary to practically strengthen fee collection management. Fifth, it is necessary to make earnest efforts to improve ideological and professional quality of law-enforcement personnel and really act in accordance with the law.

At Foreign Affairs Conference

*HK2910032091 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 26 Oct 91*

[Text] The Sichuan Provincial Foreign Affairs Work Conference concluded in Chengdu yesterday [26 October].

Responsible persons of various departments concerned and foreign affairs office directors from various prefectures, cities, and autonomous prefectures attended.

Provincial Governor Zhang Haoruo made a work report on Sichuan Province's reform, opening up, and development.

Yang Rudai, provincial party committee secretary, also delivered a speech on the current international situation.

Zhang Haoruo Addresses Reform Work Meeting

*HK2510062991 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 21 Oct 91*

[Text] The provincial party committee and government leading group for comprehensive reform in Guanghan called the second work meeting in Guanghan 18 October. Governor Zhang Haoruo stressed at the meeting: The guiding principle for deepening reform in Guanghan is to strengthen enterprises and rural economy, which serve as [words indistinct], in depth and range; to plan the mutually related and supportive reforms well in the fields of circulation, banking, science and technology, and [words indistinct]; and to systematically set up a new mechanism which integrates planned economy with market regulation and which is consistent with [words indistinct] of planned market economy. We should try to attain this objective in five years or a little longer to provide useful experience for the province-wide reform.

The meeting appraised the comprehensive reform carried out in Guanghan this year and discussed in detail principles and measures for the deepened reform next year. The participants agreed that reform is fully under way in Guanghan. The reforms in two fields were unprecedented. One concerned the procurement and marketing system for grain and oil. According to the relevant plan, the price restrictions on grain and oil were lifted altogether, [words indistinct]. The other concerned state-owned enterprises. According to the plan, workers in six state-owned enterprises were required to work under a full-year labor contract, this reform producing a great impact within the province. [passage indistinct]

North Region

Cheng Weigao Outlines Hebei Five-Year Plan

*OW2610084991 Beijing XINHUA in English
0659 GMT 26 Oct 91*

[Text] Shijiazhuang, October 26 (XINHUA)—North China's Hebei Province will attempt to attract increased foreign investments during the Eighth Five-Year Plan period (1991-95) as part of its effort to boost local economy.

Cheng Weigao, provincial governor, said that by 1995 the number of foreign funded enterprises in the province is expected to exceed 1,000.

According to Cheng, highest priority will be given to foreign funded projects related to agriculture, energy, transportation, telecommunications and raw material.

At present, Hebei, one of the country's nine coastal provinces, has 450 foreign funded enterprises registered with local governments.

The governor said that during the next five years the province plans to open a coal mine, two electric power generating stations, a cement factory, a glassworks, a ceramics factory and a number of petrochemical enterprises.

At the same time, the province will upgrade technology in light industry, textiles and machine building, as well as in medicines and other processing industries. According to the plan, at least 1,000 enterprises per year will be required to upgrade their respective technology.

In order to achieve this goal, the province will attempt to introduce more funding, advanced technology and management experience from abroad.

An increasing number of foreign businessmen have expressed interest in locating in the province, and the provincial government recently announced agreements for 50 new projects. The projects, which will use foreign funding, have been listed in the provincial Eighth Five-Year Plan (1991-95).

The projects are related to the metallurgical, building materials, chemical, medical, textile, machine building, electronics, and light industrial sectors. The governor said that the forms of investment may include joint, cooperative and solely foreign funded enterprises.

Cheng also noted that the province is also willing to conduct economic and technological cooperation and exchanges with foreign counterparts by introducing technology and equipment, labor exports, and contracted projects.

According to the governor, Hebei will increase its export volume from the 1990 figure of 1.25 billion U.S. dollars in 1990 to 1.7 billion U.S. dollars by 1995. Thus far, the province has established trade ties with 120 countries and regions.

Theft Problem Reported at Huabei Oil Field

OW2910025091 Beijing XINHUA in English
0203 GMT 29 Oct 91

[Text] Beijing, October 29 (XINHUA)—Chinese public security authorities have waged a sweeping crackdown on robbery of oil in the 25 cities and counties through which the Huabei (north China) Oil Field stretches.

LEGAL DAILY reported recently that the operation of the oil field, one of China's major oil production bases lying in Hebei Province, had been almost defuncted because of increasingly rampant theft of its crude oil and electricity.

The crack-down targets oil and electricity "mice"—those locals near the oil wells who, lured by the possibility of easy money, recklessly steal crude oil and electricity, and damage drilling equipment.

So far the Security Department from the oil field, together with local security and judicial agencies, have arrested more than 800 oil and electricity robbers for the past ten months, the paper said.

These oil theft has cost the oil field millions of yuan, and the security department has caught 2,000 thieves and stopped the production of 110 illegal oil refinery furnaces, according to the report of the paper.

More than 660 trucks used by the "oil mice" have been confiscated and security has disconnected over 3,500 points where local people steal electricity from the oil field's main line.

Last year, over 19,274 tons of crude oil were stolen from Huabei Oil Field's 1,660 oil wells, causing an economic loss of over 15 million yuan (2.8 million U.S. dollars), according to sources quoted by the paper.

During the first quarter of this year, 1,461 tons of crude oil were stolen, reducing production by 11,867 tons, causing losses up to 1.8 million yuan (334,000 U.S. dollars).

Several years ago, the local people, some shielded by county or township leaders, began to collect the scattered oil from the wells.

Soon, thousands of local farmers were lured by the area's reputation for quick, easy money made from oil field scavenging.

The farmers soon formed organized gangs that have set up comprehensive businesses of oil stealing, refining and selling.

The battle against these gangs has become a seesaw struggle, as the possible fortune and lack of security forces in the oil field have enabled them to defy arrest or sentencing. Many police have been beaten while trying to stop the massive stealing.

However, the Security Department is determined to give a final blow to these "mice" during the current crack-down, which is being closely watched by both the central and provincial government, the paper said.

Hebei Attracts Investment, Tourists From Taiwan

OW2710065391 Beijing XINHUA in English
0623 GMT 27 Oct 91

[Text] Shijiazhuang, October 27 (XINHUA)—By mid-October the number of Taiwan-funded enterprises in north China's Hebei Province had reached 146, involving 120 million U.S. dollars in investment.

At the end of last year these figures were 48 and 27.2 million U.S. dollars, respectively.

This coastal province, surrounding Beijing and Tianjin cities, is rich in natural resources and boasts convenient communications facilities.

At present, 230,000 people in the province have relatives in Taiwan. Over the past few years some 5,000 to 6,000 Taiwan compatriots have been visiting Hebei every year, visiting relatives, traveling, doing business or investing in enterprises.

To attract more Taiwan investment the provincial government has carried out a series of policies allowing Taiwan businessmen to set up joint or co-operative ventures and solely-funded enterprises; they may also

buy small state-run enterprises and collectives. These enterprises are guaranteed sufficient coal, electricity, oil and gas.

In May this year the provincial government held a news conference on economic and technical co-operation programs in Xiamen, an open coastal city in east China's Fujian Province. Hebei signed contracts for 100 of the 141 listed programs with Taiwan partners valued at 180 million U.S. dollars.

Taiwan-funded firms are located in the cities of Qinhuangdao, Shijiazhuang, Tangshan, Baoding, Langfang and Cangzhou. The investors are mainly involved in plastics, textiles, electronics and chemicals.

Foreign Minister on Australian Passport Dispute*OW1910102891 Taipei CNA in English 0759 GMT
19 Oct 91*

[Text] Taipei, Oct. 19 (CNA)—Australia did promise to improve its treatment of Republic of China [ROC] citizens during its talks with Taipei on the opening of direct air links between the two countries, Foreign Minister Frederick Chien said Friday.

Chien was responding to an interpellation by Legislator Ting Shou-chung during a Legislative Yuan plenary session. The Kuomintang lawmaker urged the government to push Australia to quickly end its use of a derogatory disclaimer in ROC passports stating Australia does not recognize the country.

Chien said his ministry has asked Canberra to stop the use of the unfriendly disclaimer as soon as possible.

The minister said he believes the Australian Government will honor its promise and end the use of the disclaimer in the not too distant future.

Chien stressed that excessively emotional reports on the issue may backfire and will not necessarily contribute to the solution of the controversy.

Based on the principle of reciprocity, Chien predicted confidently, the issue will be resolved within a certain period of time.

Economic Affairs Minister Vincent Siew also said the government must tackle the issue cautiously in order not to damage substantive Sino-Australian relations.

Commenting on the proposal that the government suspend direct Taipei-Sydney flights if Australia fails to end its derogatory attitude toward ROC citizens by year's end, Siew noted that a premature showdown is taboo in handling diplomatic affairs.

The Republic of China must try to make friends with as many countries as possible as it seeks to enhance its role in the international arena, Siew added.

Views 'Derogatory Disclaimer'*OW2910085891 Taipei CNA in English 0758 GMT
29 Oct 91*

[Text] Taipei, Oct. 29 (CNA)—The Republic of China hopes Australia will "within one month" end the use of a derogatory disclaimer stamped into ROC [Republic of China] passports stating that Canberra does not recognize the Republic of China Government in Taipei, Foreign Minister Frederick Chien said Monday.

Testifying before the Foreign Affairs Committee of the Legislative Yuan, Chien said Australia did promise to improve its treatment of ROC passport holders and to stop the use of the unfriendly disclaimer during its talks with Taipei on the opening of direct air links between the two countries.

"We'll wait for one more month for Australia to honor its promise," Chien told the legislature.

If Canberra fails to discontinue the use of the derogatory disclaimer within one month, the minister said, the Ministry of Foreign Affairs will adopt appropriate measures to resolve the issue.

Chien pointed out that both Taiwan and Australia are benefiting from the opening of direct Taipei-Sydney flights. Trade, tourist and cultural exchanges between the two countries are expected to get a significant boost through direct air links, he explained.

The minister continued that the government has decided to open representative offices in Canberra and Melbourne next year to facilitate bilateral cooperation.

Chien Attends Reception at Papal Nunciature*OW2310085391 Taipei CNA in English 0812 GMT
23 Oct 91*

[Text] Taipei, Oct. 23 (CNA)—The Apostolic Nunciature, or the Embassy of the Holy See, in Taipei hosted a reception Tuesday to mark the 13th anniversary of Pope John Paul II's coronation.

The gala drew hundreds of high-ranking Republic of China [ROC] officials, members of the diplomatic corps and other well-wishers.

In an address to those gathered, Foreign Minister Frederick Chien said the pope's benevolence and philanthropy have helped catalyze the monumental changes in East European countries in recent years. The pope's historic visit to that part of the world earlier this year was of great significance, he noted.

Chien stressed that relations between the Republic of China and the Holy See have been close. "I believe these cordial ties will be further strengthened in the years ahead," he added.

Rev. Monsignor Adriano Bernardini, the Holy See's charge d'affaires in Taipei, said the collapse of East European communist regimes underscores the fact that the inherent rights of humanity to pursue freedom and happiness can not be suppressed for long.

Bernardini also reported that the pope, in recent audience, had asked ROC Ambassador to the Holy See Hoang Sieou-je to convey his regards to President Li Teng-hui and the free Chinese people.

Government To 'Play an Active Role' in APEC*OW2910091591 Taipei CNA in English 0812 GMT
29 Oct 91*

[Text] Taipei, Oct. 29 (CNA)—The Republic of China [ROC] will play an active role in the Asia Pacific Economic Cooperation (APEC) forum and it will join

hands with other members to promote economic cooperation in the region, Economic Affairs Minister Vincent Siew said Monday.

Siew will head an ROC delegation to the APEC annual conference scheduled for Nov. 12-14 in Seoul.

The 12-member regional economic organization decided last year to simultaneously admit Taipei, Hong Kong and Peking.

Siew said the ROC is prepared to actively participate in international economic affairs, and the simultaneous admission of Taipei and Peking to the forum will not affect the ROC's current trade and economic policies toward Mainland China.

Hao Po-tsun Meets Nicaraguan Economic Minister

OW2210094791 Taipei CNA in English 0806 GMT
22 Oct 91

[Text] Taipei, Oct. 22 (CNA)—Premier Hao Po-tsun told visiting Nicaragua Minister of Economy and Development Silvio de Franco Monday that the Republic of China on Taiwan is willing to share its experience in economic development with all developing countries.

Hao said the Republic of China is willing to provide developing countries with necessary loans and technical help.

The Nicaraguan dignitary will leave here Friday after an eight-day visit.

Guatemalan Economic Minister Arrives for Talks

OW2110104291 Taipei CNA in English 0754 GMT
21 Oct 91

Taipei, Oct. 21 (CNA)—Juan Luis Miron, economics minister of the Republic of Guatemala, will arrive in Taipei Monday afternoon for a six-day visit.

Miron will call on Foreign Minister Chien Fu [Frederick Chien], Economics Minister Hsiao Wan-chang [Vincent Siew], Director General of the Board of Foreign Trade Sheu Ke-sheng, Deputy General Secretary of the China External Trade Development Council H.K. Huang and other government officials.

Ecuador Party Delegation Arrives on 6-Day Tour

OW2110110791 Taipei CNA in English 0752 GMT
21 Oct 91

[Text] Taipei, Oct. 21 (CNA)—A ten-member delegation from the Social Christian Party of the Republic of Ecuador, led by Jaime Jose Nebot Saadi, Ecuadorian congressman

and concurrently the party's president and president candidate of 1992, will arrive in Taipei Monday evening for a six-day visit.

During their visit, they will call on Vice President of the Legislative Yuan Liu Sung-fan, Foreign Minister Chien Fu [Frederick Chien], Chairman of the Council of Labor Affairs Chao Shou-po, Deputy Secretary General of the Central Committee of the Kuomintang Hsu Li-teh and other government officials.

They will also visit several cultural and economic organizations of the Republic of China.

Taiwan To Join Central American Development Bank

OW2210122291 Taipei CNA in English
0744 GMT 22 Oct 91

[Text] Taipei, Oct. 22 (CNA)—The Republic of China [ROC] will become a full member of the Central American Bank for Economic Integration soon, Federico Alvarez, president of the bank, announced here Monday.

Headquartered in Tegucigalpa, Honduras, the bank was jointly established by Costa Rica, Guatemala, El Salvador, Honduras and Nicaragua to promote economic development and cooperation in Central America.

Alvarez told a news briefing that the five countries have agreed to Taiwan's accession to the bank as a "non-regional" member. As soon as some technical details are resolved, he said, Taipei will become a full member under its official name.

The ROC Government has agreed to contribute 150 million U.S. dollars to the bank's economic and social development fund. Alvarez said the contribution is of great significance to the regional bank. The fund will help finance economic development projects in the five Central American countries.

After becoming a full member, Alvarez said, the Republic of China can take part in the decision-making process and help supervise its operations.

With its economic strength, Alvarez said, Taiwan can play an important role in the regional bank [words indistinct] its experience in economic development is inspiring to Central American countries, he added.

Alvarez continued that Taiwan will also benefit from joining the bank. He pointed out that the bank's five founding members signed free trade agreements with Mexico and Venezuela in January. As Mexico is in the process of forming an economic bloc with the United States and Canada, he said, Central and North America will be gradually integrated into a large trade bloc. Taiwan will gain greater access to this vast market by strengthening its cooperation with the Central American bank and its member states, he explained.

Hong Kong

UK, SRV Sign Forced Repatriation Agreement

HK2910093791 Hong Kong AFP in English 0918 GMT 29 Oct 91

[Text] Hong Kong, Oct 29 (AFP)—Britain and Vietnam signed an agreement in Hanoi Tuesday authorizing the forced repatriation of Vietnamese boat people in Hong Kong judged not to be political refugees, a top colonial official said here.

Hong Kong Secretary for Security Alistair Asprey said that all new arrivals would face screening upon entering the territory, and that those deemed non-political refugees could be sent back within six weeks, local radio reported.

Boat people deemed economic migrants rather than genuine asylum-seekers will also be kept separate from other Vietnamese in detention centers here, the radio quoted Asprey as saying.

A timetable for repatriating the 50,000-odd boat people here who have been judged economic migrants and therefore ineligible for resettlement abroad had yet to be worked out with Vietnam, Asprey said.

The agreement, signed between the British ambassador in Hanoi, Peter Williams, and the Vietnamese Government, stipulated that boat people who were repatriated must not be subject to prosecution or harassment on their return, he added.

Secretary, Legislators Comment

HK2910133191 Hong Kong Television Broadcasts Limited in English 1115 GMT 29 Oct 91

[From "News at 7:15" program]

[Text] Britain and Vietnam have finally signed an agreement to repatriate all nonrefugees in Hong Kong back to Vietnam. However, today's signing in Hanoi did not make clear when the territory's large detention camp population will actually begin leaving; but government officials say all of the detainees could be home in two to three years. Betty Liu reports:

[Begin recording] [Liu] Following last week's agreement between the two governments, today's pact covers all screened-out boat people in Hong Kong. First to be airlifted to Hanoi are about 200 doublebackers. They are scheduled to leave next month. Next are new arrivals. Starting today, those who come to Hong Kong will be screened immediately. If they fail the screening test and appeals, they will be sent home. Secretary for Security Alistair Asprey said the number of new arrivals has dwindled in the last few weeks.

[Asprey] If they continued like that, then I would expect to move fairly quickly on to the remaining camp population. Certainly it will be our intention in the reasonably

near future to move on to the remaining camp population, but I cannot put any specific timing on that.

[Liu] So far about 20,000 boat people have failed the screening test. According to Asprey, those who have been here the longest will leave first. However, the details are still being discussed with the Vietnamese Government.

As news of the latest agreement reached the detention centers, Asprey says he doesn't expect violence, but at the same time he hasn't ruled it out.

[Asprey] It will be our aim and we will do everything we can to prevent any kind of disorder in the camps. Of course, in the final analysis, we will be determined to maintain law and order in the camps.

[Liu] While the authorities stress that the repatriation program will end the uncertain future facing the boat people, it's not clear how the people will react to the deportation program.

[Asprey] We will do everything we possibly can to encourage and enable people to return in dignity. Whether they do so, in the final analysis, depends of course on their own behavior, which we cannot control.

[Liu] Asprey emphasized that today's agreement guarantees that the returnees will not be subject to persecution once they are in Vietnam. He said the Hong Kong Government is still hoping that many will now volunteer to go home. Betty Liu, TVB News. [end recording]

Legislative councillors have welcomed the British-Vietnamese agreement as a good beginning in solving the Vietnamese boat people problem. Diana Lin reports:

[Begin recording] [Rita Fan] This is only the beginning, and there are still a long way to go before the problem of Vietnamese boat people in Hong Kong is fully resolved.

[Lin] OMELCO [Office of the Members of the Executive and Legislative Councils] member Rita Fan says that returning the new arrivals first would give the long-stayers more time to consider volunteering to go back home.

[Fan] It is very sensible that the return of illegal immigrants would apply to the new arrivals in the first instance. This will allow those boat people who are already in Hong Kong time to decide whether they want to go back to Vietnam. And I very much hope that they would go back voluntarily.

[Lin] Putting the London-Hanoi agreement in perspective, Rita Fan notes Vietnamese illegal immigrants have been enjoying special treatment, and repatriation is merely a return to normal international practice. This is also part of the message legislator Martin Lee will be bringing to Washington in the next few days.

[Lee] It is important for us to make sure that whatever agreement reached between the Vietnamese and British Governments would not be obstructed in any way by the U.S. Government and Congress. And we've got to urge

them to try to restore normal trade relations with Vietnam as soon as possible, because that would really solve the boat people problem once and for all.

[Lin] The Governor, Sir David Wilson, also welcomed the repatriation agreement as a humane solution to the boat people problem. Hong Kong could better look after genuine refugees, he says, by returning economic migrants whose future must lie in Vietnam. Diana Lin, TVB News. [end recording]

Funding Increased for Screening

HK2810031791 Hong Kong SOUTH CHINA
MORNING POST in English 28 Oct 91 p 1

[By Fiona MacMahon]

[Text] An extra \$42 million has been earmarked to help speed up the screening of Vietnamese boat people seeking refugee status.

As the British and Vietnamese governments finalise plans for the mandatory repatriation of the 19,651 boat people already identified as economic migrants, the Immigration Department is concerned that screening has fallen behind schedule.

The target time is usually about two years, but with 38,886 boat people waiting to be screened fears are growing that any repatriation scheme could be hampered if the process is not speeded up.

The Immigration Department has approached the security and finance branches with a request for an additional 112 officers and 65 interpreters—at an estimated cost of \$42 million.

The cost—about five per cent of the \$800 million the Government expects to spend on boat people this year—is expected to go even higher as quicker screening demands greater efficiency in handling appeals.

British and Vietnamese officials have already agreed to the forced repatriation of 250 "double-backers"—those Vietnamese sent home once, only to return again—and today a deal is expected to be struck between Hong Kong and Indonesia for charter aircraft to fly them home.

About 70 out of a total of 200 Immigration Department officers involved with boat people are handling the first stage of screening.

There are also four Refugee Status Review Boards which handle appeals.

The Immigration Department's Assistant Director (Vietnamese refugees), Mr Yung Chun-long, confirmed that the application for more staff had been made but said it would largely involve a redeployment of existing officers.

The Immigration Department was closing down eight temporary identity card centres at the end of this year and it was hoping to use officers from them to cover the deficit in handling screening.

If approved, he said, the redeployment was likely to be in phases as the card centres were closed.

The Immigration Department processed between 150 and 200 people a week, but Mr Yung said he wanted this increased to 400.

"We have to bid for additional staff to speed up the process," he said.

"We want to screen the Vietnamese boat people within 16 months of arrival in Hong Kong so they don't have to wait a long time in detention."

At the moment most Vietnamese have to wait two years and without extra staff this waiting time would increase, he warned.

Although the application has yet to be approved, the Security Branch supported the idea, Mr Yung said.

Because the new staff will primarily be found by an internal reshuffle it is unlikely Finance Committee approval will be needed since the move involves a re-allocation of cash already within the Immigration Department budget.

In the last Legislative Council session, members made it clear that extra funds for accommodation would be opposed, but that applications concerning security or screening would be considered favourably.

The chairman of the Refugee Status Review Board, Mr Francis Blackwell, said the board was having a busy time and would need at least one if not two extra boards if the expansion of the screening programme went ahead.

"We are managing to cope at the moment although most of my board members are working as much as seven days a week," he said.

Since screening started in September 1988, 21,767 boat people have been told that their bid for refugee status has been rejected—19,651 of them are still here—while 6,293 have been given refugee status.

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